

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/15/94

On April 14, 1994, Special Agent (SA) [redacted]

[redacted] reviewed [redacted]

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[redacted] The following observations were noted during the review:

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Investigation on 4/14/94 at Falls Church, VA File # 46A-WF-179870 SUB UU -107

by SA [redacted] Date dictated 4/14/94

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/15/94

On April 13, 1994, Special Agent (SA) [redacted]  
[redacted] reviewed [redacted]

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Investigation on 4/13/94 at Falls Church, VA File # 46A-WF-179870 SUB UU -108

by SA [redacted] :trs Date dictated 4/13/94

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C-9

FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☒ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

Date 4/19/94

FM FBI WMFO (46A-WF-179870 SUB UU) (P)

TO FBI CINCINNATI/ROUTINE/

BT

UNCLAS

CITE: //3920//

SUBJECT: BIG BOUNCE; MAJOR CASE #55; OO:WMFO

RE 4/15/94 TELCALL BETWEEN SSA [REDACTED] CINCINNATI  
DIVISION, AND SA [REDACTED] WMFO DIVISION.

ON 4/19/94, SA [REDACTED] WILL TRAVEL TO  
CINCINNATI DIVISION TERRITORY TO CONDUCT LEADS ON ABOVE-  
CAPTIONED CASE. SA [REDACTED] DOES NOT ANTICIPATE NEEDING  
ASSISTANCE FROM CINCINNATI DIVISION. SACS IN WMFO AND  
CINCINNATI CONCUR WITH TRAVEL BY SA [REDACTED]

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Approved: A20/24 Original filename: 1e5001u.109Time Received: \_\_\_\_\_ Telprep filename: 1e500150.109MRI/JULIAN DATE: 1097/109 ISN: 021 22FOX DATE & TIME OF ACCEPTANCE: 4/19/94 1:26

- 1 -

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 4/26/94

[redacted]  
[redacted] was contacted by SA [redacted]  
[redacted] was advised as to the identity of the  
interviewing agent and was thereafter served with a Federal Grand  
Jury Subpoena from the United States District Court for the  
District of Columbia [redacted]

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Investigation on 4/20/94 at Falls Church, Va. File # 46A-WF-179870 SUB UU -110

by SA [redacted] Date dictated 4/26/94

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WMFO 46A-WF-179870 Sub UU  
EWS:trs

The following investigation was conducted by Special Agent (SA) [redacted] at Falls Church, Virginia, on the dates indicated:

On April 11, 1993, [redacted] was contacted in the FBI Public Corruption Unit, telephone number [redacted]. [redacted] advised that she had been in contact with [redacted] of the U.S. SECRET SERVICE (USSS), White House Detail, Washington, D.C. [redacted] informed that certain information such as dates of birth and Social Security Account Numbers (SSAN) are required from persons taking White House VIP Tours. However, the records generated concerning VIP Tour participants are only kept for one day by the USSS. They are then purged from the USSS system. Thus, the USSS does not retain any record pertaining to people who have taken White House VIP Tours in the past. [redacted] also advised that U.S. Congressmen are allocated a certain number of White House VIP Tour passes per year which they can use however they wish.

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A check of OHIO DEPARTMENT OF MOTOR VEHICLE records revealed the following information pertaining to [redacted]

[redacted]  
Name:  
Sex:  
DOB:  
Height:  
Weight:  
Hair:  
Eyes:  
SSAN:  
Operator's License  
Number:  
Address:

[redacted]

[redacted]

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[redacted] possibly owns the following vehicles: 1991 Ford, license number [redacted] 1986 Ford, license number [redacted] 1985 Ford, license number [redacted] and a 1979 Ford, license number [redacted]. A search of National Crime Information Center (NCIC) records yielded no record identifiable with [redacted].

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FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☒ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

Date 5/3/94

FM FBI WMFO (46A-WF-179870 SUB UU) (P)

TO FBI CINCINNATI/ROUTINE/

BT

UNCLAS

CITE: //3920//

SUBJECT: BIG BOUNCE; MAJOR CASE #55; OO:WMFO

RE 5/2/94 TELCALL BETWEEN SA [REDACTED] CINCINNATI  
 DIVISION, AND SA [REDACTED] WMFO DIVISION.

FOR INFORMATION OF CINCINNATI, [REDACTED] A FORMER  
 EMPLOYEE OF CAMBRIDGE TECHNICAL INSTITUTE (CTI), WAS LOCATED  
 IN BLANCHESTER, OHIO, ON 4/21/94 [REDACTED] PROVIDED EXTENSIVE  
 HELPFUL INFORMATION TO WMFO'S CASE AGAINST FORMER U.S.

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CONGRESSMAN DONALD "BUZ" LUKENS AND FORMER CTI OPERATOR [REDACTED]  
 [REDACTED] ON 4/29/94, [REDACTED] TESTIFIED BEFORE THE FEDERAL  
 GRAND JURY IN WASHINGTON, D.C. DURING PREPARATION FOR THE  
 GRAND JURY TESTIMONY, [REDACTED] MENTIONED THAT HE STILL

46A-WF-179870 UU-112  
 ny ny

Approved: [Signature] Original filename: 125001W.123Time Received: 602 Telprep filename: 12500150.123MRI/JULIAN DATE: 1622/123 ISN: 051FOX DATE & TIME OF ACCEPTANCE: 5/3/94 6<sup>16</sup> KLT

^PAGE 2 WMFO (46A-WF-179870 SUB UU) UNCLAS

POSSESSES TWO BOXES OF RECORDS RELATED TO HIS WORK AT CTI.

[REDACTED] IS WILLING TO TURN OVER THESE RECORDS TO THE FBI.

LEAD:

CINCINNATI DIVISION

AT BLANCHESTER, OHIO:

WILL CONTACT [REDACTED]

BLANCHESTER, OHIO, TELEPHONE NUMBER [REDACTED] AND

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ARRANGE TO PICK UP THE BOXES OF RECORDS FROM HIM. [REDACTED]

WORKS AT [REDACTED]

[REDACTED] CINCINNATI, OHIO, TELEPHONE NUMBERS [REDACTED]

[REDACTED] WAS TELEPHONICALLY

CONTACTED ON 5/2/94 AND EXPRESSED A WILLINGNESS TO BRING THE  
BOXES OF RECORDS TO HIS WORK PLACE AND TURN THEM OVER THERE IF  
THAT WOULD BE MORE CONVENIENT TO THE FBI. [REDACTED] REQUESTED  
THAT WHEN CALLING TO ARRANGE PICKUP OF THE RECORDS, AGENTS NOT  
IDENTIFY THEMSELVES AS BEING WITH THE FBI TO OTHER EMPLOYEES  
AT THE WORK PLACE.

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FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ AIRTEL

## PRECEDENCE:

☐ Immediate  
☒ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

Date 5/5/94

FM FBI WMFO (46A-WF-179870 SUB UU) (P)

TO FBI CINCINNATI/ROUTINE/

BT

UNCLAS

CITE: //3920//

SUBJECT: BIG BOUNCE; MAJOR CASE #55; OO:WMFO

FOR INFORMATION OF CINCINNATI, THE ABOVE CAPTIONED MATTER INVOLVED ALLEGED BRIBE PAYMENTS MADE BY [REDACTED] TO THEN U.S. CONGRESSMAN DONALD "BUZ" LUKENS. [REDACTED] OPERATED TWO TECHNICAL SCHOOLS NAMED CAMBRIDGE TECHNICAL INSTITUTE (CTI) AND BOHECKERS BUSINESS COLLEGE (BBC).

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RECORDS OF CTI AND BBC, INCLUDING CANCELED CHECKS WRITTEN AGAINST THEIR BANK ACCOUNTS, ARE IN THE POSSESSION OF [REDACTED] [REDACTED] THE ATTORNEY FOR THE ESTATE OF [REDACTED] DECEASED BUSINESS PARTNER, HENRY WHITESELL. [REDACTED] HAS INDICATED THAT HE WILL TURN OVER THE RECORDS OF CTI AND BBC TO THE FBI. WMFO

46A-WF-179870 Sub UU 113

Approved: AEQ/83 Original filename: 1eS001W.125  
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MRI/JULIAN DATE: 691/125 ISN: 007  
FOX DATE & TIME OF ACCEPTANCE: 9:25 5/5/94

^PAGE 2 WMFO (46A-WF-179870 SUB UU) UNCLAS

NEEDS TO OBTAIN THE RECORDS FROM [ ] AS EXPEDITIOUSLY AS  
POSSIBLE, DUE TO THE ANTICIPATION OF INDICTMENT OF SUBJECTS  
DURING MAY, 1994.

LEAD:

CINCINNATI DIVISION:

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AT CINCINNATI, OHIO:

WILL CONTACT ATTORNEY [ ] AT BAUER, MORELLI & HEYD  
CO., INC., 1029 MAIN STREET, CINCINNATI, OHIO, TELEPHONE  
NUMBER [ ]. WILL ARRANGE TO PICK UP CTI AND BBC  
RECORDS FROM [ ] WILL FORWARD RECORDS TO WMFO DIVISION AS  
EXPEDITIOUSLY AS POSSIBLE.

BT

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/4/94

[redacted] was telephonically contacted at her residence [redacted] Alexandria, Virginia, telephone number [redacted]. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

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[redacted] advised that she was formerly employed as the White House Liaison for the U.S. DEPARTMENT OF EDUCATION (DOE) in Washington, D.C.. In that position, [redacted] handled all political hiring for patronage jobs with DOE. [redacted] would interview candidates for job positions with DOE. She also met with numerous individuals even when no jobs were available as a means of doing favors for politicians.

[redacted] was questioned about a telephone call she made to [redacted] of the office of then U.S. Congressman DONALD "BUZ" LUKENS, around late summer or fall of 1990. [redacted] vaguely recalled interviewing someone who mentioned one of LUKENS' constituents who operated a school in Ohio. The interviewee possibly mentioned that the school in question was having financial difficulty and had possibly unsuccessfully attempted to get funding through DOE. The person also possibly indicated that the school was going to try to seek help from LUKENS. [redacted] could not remember any specifics such as the name of the interviewee, the name of the school, or the identity of LUKENS' constituent. She stated that she interviewed literally hundreds of people each week and "lived on the telephone". Thus, it was impossible for her to remember all of the people she came into contact with. She believed the interviewee was someone who was not going to be employed by DOE.

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[redacted] thought she might have also read something about the school in question in the news clips about DOE matters that were sent to her on a daily basis. She may have seen some derogatory information about the school in the news clips.

Investigation on 4/13/94 at Falls Church, Virginia File # WMFO 46A-WF-179870 SUB  
by S. [redacted] /snc Date dictated 4/25/94  
UU -115

WMFO 46A-WF-179870 SUB UU

Continuation of FD-302 of [REDACTED]

, On 4/13/94, Page 2

[REDACTED] vaguely remembered contacting LUKENS' office about the above-stated information and speaking to [REDACTED]. The primary purpose of the call would have been to warn LUKENS that he was going to get a call from the individual operating the school in Ohio and also to tell LUKENS that DOE was not going to help his constituent. [REDACTED] could not recall any specific details as to why DOE would not provide assistance. She speculated that she had done some checking into the school, but had no recollection of this.

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[REDACTED] stated that she knew LUKENS through political conventions and other political and social functions. [REDACTED] husband is a political consultant, so she had the opportunity to attend numerous political activities. [REDACTED] stated that she had no relationship with LUKENS beyond seeing him occasionally at such functions. [REDACTED] advised that, in the above-stated circumstances, she would have contacted any congressman's office in an attempt to give the member advance notice so he or she could be prepared to handle the forthcoming call. Her pre-existing relationship with LUKENS made it no more likely that she would call his office than the office of another congressman in a similar situation.

[REDACTED] had no knowledge of [REDACTED] or CAMBRIDGE TECHNICAL INSTITUTE (CTI). She had no recollection of DOE doing an audit of CTI.

[REDACTED] described [REDACTED] as an "acquaintance".

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/18/94

On March 23, 1994, Special Agent (SA) [ ] reviewed a U.S. DEPARTMENT OF EDUCATION (DOE) Office of Inspector General (OIG) investigative file pertaining to the DOE OIG's investigation of [ ] also spoke with DOE Special Agent (SA) [ ] concerning the DOE's investigation of [ ]. The following items were noted:

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[ ] was employed by the DOE in the position of Supervisory Audit Resolution Specialist. [ ] was investigated by the DOE OIG for soliciting a \$4000 payment from an individual named [ ] who was affiliated with a school being audited by the DOE. [ ] told [ ] she needed the money to handle financial problems involving her son. She later contacted [ ] told him that someone had helped her with the financial problems with her son, and asked [ ] to send that individual money as "consultant fees". On or about January 11, 1991, [ ] sent, via a government facsimile, a letter to [ ] from [ ] requesting payment of \$4000 for "professional services/research rendered during 1990." [ ] did not pay any portion of the \$4000 requested.

[ ] was ultimately terminated by the DOE on June 11, 1993, effective June 25, 1993. [ ] apparently brought legal action against the DOE. A settlement agreement was signed on September 15, 1993. Under the terms of the agreement, [ ] was permitted to resign from DOE, all references to her removal were to be expunged from her personnel folder, and [ ] former supervisors were directed to respond to all inquiries about her by saying only that she "resigned for personal reasons". [ ] was the attorney who represented [ ] in her legal action against the DOE.

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SA [ ] commented that [ ] was in a very powerful position with respect to the operators of schools being reviewed by DOE. If a school was found to be non compliant with DOE standards, [ ] could have taken three courses of action detrimental to the school. First, [ ] could have recommended

Investigation on 3/23/94 at Washington, D.C. File # 46A-WF-179870 Sub UU-116

by SA [ ] :kch Date dictated 3/30/94



46A-WF-179870 Sub UU

Continuation of FD-302 of [REDACTED], On 3/23/94, Page 2

termination of the school from the Federal Financial Aid Program. This would have meant that no Federal funds would be available for students of the school. Secondly, [REDACTED] could have put the school in a reimbursement status. Such action would have required the school to prove through a needs analysis the eligibility of each student to receive federal financial aid. A student could not receive any payments until such proof was provided and evaluated. This would have severely curtailed a school's ability to obtain federal funds for its students. Thirdly, [REDACTED] could have meted out fines against the school. SA [REDACTED] stated that [REDACTED] also had the authority to "fix" the problems of a school by deciding that no punitive action was necessary. Given the volume of schools the DOE had oversight for, if [REDACTED] decided that a problem of a school should be "buried", it was likely that no one within DOE would have found out about it.

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The following descriptive data pertains to [REDACTED]

Name:

Race:

Sex:

DOB:

SSAN:

Current Address:

Former Address:

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Attached for incorporation herein are numerous documents copied from the DOE OIG investigative file for the case involving [REDACTED]

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/4/94

[ ] was interviewed at his place of employment, FRISCH'S BIG BOY RESTAURANT, 745 North Columbus Avenue, Lebanon, Ohio, telephone number [ ] is a shift manager of FRISCH'S BIG BOY (FBB). After being advised of the identity of the interviewing agent and the nature of the interview, [ ] provided the following information:

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[ ] advised that he has worked for FBB since 1989. He worked at the FBB in Lebanon, Ohio from 1989 through 1992. During the time period around May, 1990, he was the Executive Manager of the FBB in Lebanon. In 1992, [ ] left to work in the FBB in Xenia, Ohio. He stayed there for one and one half years. [ ] then returned to his present position at the FBB in Lebanon.

[ ] was aware of former U.S. Congressman DONALD "BUZ" LUKENS and confirmed that Lebanon was included in LUKENS' congressional district. [ ] stated that he could visualize LUKENS' face on a billboard. [ ] commented that he did not vote for LUKENS. He vaguely remembered LUKENS being involved in some kind of sex offense case.

[ ] stated that he could not recall LUKENS ever coming into the FBB in Lebanon while he [ ] was present. [ ] advised that LUKENS could have come into the FBB without him knowing about it. LUKENS could have come in when [ ] was not on duty, or he might have simply failed to notice LUKENS in the restaurant. [ ] commented that it is FBB'S policy not to bother its customers, even well-known persons. [ ] advised that [ ] was the only politician he ever remembered coming into the FBB in Lebanon.

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[ ] stated that, if LUKENS had come in with a large group and scheduled a formal meeting, he [ ] would have probably been contacted to make arrangements for the gathering. However, if LUKENS came in with just a couple of other people, there would have been no need to contact [ ] in advance.

Investigation on 4/19/94 at Lebanon, Ohio File # 46A-WF-179870 Sub UU-117  
by SA [ ] skch Date dictated 4/25/94

46A-WF-179870 Sub UU

Continuation of FD-302 of [redacted], On \_\_\_\_\_, Page 2

[redacted] had no knowledge of a man named [redacted]  
[redacted] also did not know [redacted]

[redacted] informed that the FBB at 745 North Columbus Avenue was the only FBB in the Lebanon area.

[redacted] advised that [redacted] and [redacted] are the only current FBB employees who were employed there during May, 1990. [redacted] informed that [redacted] was a manager at FBB during May, 1990. [redacted] left to become the Executive Manager at a FBB in Columbus, Ohio. [redacted] then left the FBB Company. [redacted] had no idea where [redacted] currently resides or works.

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/10/94

[redacted] was contacted at her place of employment, FRISCH'S BIG BOY, 745 North Columbus Avenue, Lebanon, Ohio, telephone number [redacted] is a waitress for FRISCH'S BIG BOY (FBB) and has been so employed for approximately 16 years. [redacted] resides at [redacted] telephone number [redacted]. After being apprised of the identity of the interviewing agent and the nature of the interview, [redacted] furnished the following information:

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[redacted] recalled that U.S. Congressman DONALD "BUZ" LUKENS had come into the FRISCH'S BIG BOY (FBB) in Lebanon on one occasion. She advised that some of the other customers in the FBB pointed out LUKENS to her. [redacted] stated that she would not have recognized LUKENS had someone not pointed him out to her. [redacted] did not meet LUKENS during his visit to the FBB. Another waitress waited on LUKENS. [redacted] had no recollection of who the waitress was who served LUKENS when he came to the FBB. [redacted] believed that LUKENS went around and shook hands and talked with the other customers during his visit to the FBB. LUKENS might have had coffee at the FBB.

[redacted] was pretty sure LUKENS came into the FBB during the morning. She had no recollection of the date that LUKENS visited the FBB. [redacted] did not remember there being an election around the time of LUKENS' visit. [redacted] thought that LUKENS might have been accompanied by one or two other persons. She remembered that LUKENS was not in a big group but was not alone. [redacted] could not remember anything about the other person or persons in LUKENS' party. [redacted] stated that, to the best of her knowledge, LUKENS only came into the FBB on the aforementioned one occasion.

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[redacted] identified [redacted] as the only other current FBB employee who would have been employed there during May, 1990.

[redacted] [redacted] had no knowledge of [redacted] or [redacted]

Investigation on 4/20/94 at Lebanon, Ohio File # 46A-WF-179870 Sub UU-118

by SA [redacted] Frisch Date dictated 4/25/94

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/8/94

[redacted] was interviewed at his place of employment, BENESCH, FRIEDLANDER, COPLAN & ARONOFF (BFCA), 2800 Cincinnati Commerce Center, 600 Vine Street, Cincinnati, Ohio 45202-2409, telephone number [redacted] facsimile number (513) 762-6245. [redacted] is an Attorney-at-Law for BFCA. Also present during the interview was [redacted] Attorney-at-Law, BFCA, who was providing legal representation to [redacted] and [redacted] were advised of the official identity of the interviewing agent and the nature of the interview. [redacted] was also advised that the FEDERAL BUREAU OF INVESTIGATION (FBI) did not want him to violate any possible attorney-client privilege between himself and [redacted] HENRY WHITESELL, or any other representatives of CAMBRIDGE TECHNICAL INSTITUTE (CTI). [redacted] then furnished the following information:

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[redacted] advised that he and his law firm represented [redacted] WHITESELL, and CTI in a lawsuit filed against them by the Legal Aid Society (LAS) in Cincinnati, Ohio. [redacted] explained that BFCA has an office in Cleveland, Ohio. The Cleveland office of BFCA had previously represented CTI in a lawsuit brought by the State of Ohio Attorney General's Office. The attorneys in BFCA's Cleveland Office, who handled the first CTI case, were [redacted] and [redacted] advised that the allegations made against CTI's Cleveland school included among other things that CTI was engaging in improper recruiting practices and was violating proprietary school regulations. The lawsuit may have alleged that CTI was not providing adequate instruction in its classes and was defrauding the U.S. DEPARTMENT OF EDUCATION (DOE) out of grant money. [redacted] did not have any involvement with lawsuit against CTI's Cleveland campus.

[redacted] informed that on 8/10/89, the LAS in Cincinnati filed a class action lawsuit against CTI's operation in the Cincinnati area. The LAS alleged that CTI had engaged in practices that violated the Consumer Safety Sales statute among other improprieties. [redacted]'s law firm, the BFCA office in Cincinnati, was hired to answer and defend the LAS suit. [redacted]

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Investigation on 4/20/94 at Cincinnati, Ohio File # 46A-WF-179870 Sub UU -  
by SA [redacted] Date dictated 4/27/94 118X1

46A-WF-179870 Sub UU

Continuation of FD-302 of [REDACTED]

, On 4/20/94 , Page 2

[REDACTED] could not recall specifically how his office came to represent [REDACTED] WHITESELL, and CTI. However, he believed BFCA's Cincinnati office probably received a referral from the Cleveland office of BFCA. [REDACTED] was probably told to get in touch with WHITESELL, the owner of CTI, and [REDACTED] the President of CTI. [REDACTED] thought he probably initially went to CTI's offices and met with WHITESELL and [REDACTED]

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[REDACTED] stated that the LAS case against CTI never went to trial on the merits. [REDACTED] disputed whether the case should proceed as a class action. The judge in the case denied the LAS's motion for class certification. [REDACTED] advised that one of the LAS's major contentions was that CTI was soliciting prospective students in violation of recruiting laws. At one point, CTI agreed to an injunction to stop the illegal recruiting practices. However, an investigator for the LAS later videotaped CTI recruiters violating the terms of the injunction. When the videotape evidence came to light, the LAS filed a contempt of court motion against CTI. This led to the settlement of the case between the LAS and CTI during July 1990. The settlement hearing took place on August 3, 1990. Under the terms of the settlement, CTI agreed to close its school in Cincinnati on October 5, 1990 and agreed to pay legal fees of \$72,500 to the LAS. WHITESELL and [REDACTED] agreed not to own or operate proprietary schools within Cincinnati and a specified portion of the surrounding area. [REDACTED] advised that CTI paid \$50,000 of the \$72,500 owed to the LAS. [REDACTED] informed that he sent a \$50,000 check to the LAS on August 13, 1990. [REDACTED] advised the remaining balance of \$22,500 owned by CTI to the LAS was, to his knowledge, never paid. After WHITESELL was murdered, [REDACTED] refused to pay the \$22,500. [REDACTED] subsequently sued [REDACTED] for breaching his ethical obligation to [REDACTED] by allegedly not informing [REDACTED] that, as part of the settlement agreement, he could be held personally liable for any obligation owed by CTI to the LAS. [REDACTED] added that his law firm only received payment of one-third to one-half of the legal fees it generated through its representation of [REDACTED] WHITESELL, and CTI.

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[REDACTED] was questioned concerning a situation in which [REDACTED] was beaten up by employees of CTI. [REDACTED] recalled that [REDACTED] was a former employee of CTI who had been on the "inside." [REDACTED] was fired by CTI. He then filed complaints with the LAS, the office of U.S. Senator HOWARD METZENBAUM, and possibly other regulatory bodies. [REDACTED] provided an affidavit

46A-WF-179870 Sub UU

Continuation of FD-302 of [REDACTED], On 4/20/94, Page 3

to the LAS corroborating the allegations of their lawsuit. [REDACTED] remembered that [REDACTED] was involved in a fight in front of the building where CTI was located. One of the individuals who assaulted [REDACTED] was [REDACTED] a CTI employee who had a criminal record. At the criminal trial, [REDACTED] identified [REDACTED] and another CTI employee who beat him up. [REDACTED] stated that he had no knowledge of WHITESELL, [REDACTED] or other CTI officials being involved in the beating of [REDACTED] or of encouraging CTI employees to attack [REDACTED] stated that, as their lawyer, he certainly would have advised them against having a witness beaten up. [REDACTED] commented that [REDACTED] was clearly the victim of an assault and battery, but he did not think the attack was premeditated.

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[REDACTED] suggested that CTI representatives may have engaged in "freelancing" with respect to what was best for the defense of their lawsuit with the LAS. [REDACTED] stated that [REDACTED] told the LAS that he had been offered his job back with CTI if he would recant his accusations against CTI. [REDACTED] also heard rumors that [REDACTED] through CTI, had gotten a lawyer to represent him, and that [REDACTED] had possibly been put on the payroll of BOHECKER's BUSINESS COLLEGE (BBC).

[REDACTED] was asked about regulatory action taken by the State Board of Proprietary School Registration (SBPSR) against CTI. [REDACTED] advised that [REDACTED] an attorney in BFCA's office in Columbus, Ohio, handled that situation for CTI. [REDACTED] recalled that the SBPSR had the power to revoke CTI's license to operate in the State of Ohio, and that the SBPSR was looking into violations that could have resulted in such a penalty. [REDACTED] did not know the final resolution of CTI's dealings with the SBPSR. [REDACTED] recalled that WHITESELL knew [REDACTED] the head of the SBPSR. [REDACTED] stated that he [REDACTED] never talked to [REDACTED]

[REDACTED] recalled that, during the time the LAS lawsuit was going on, the Accrediting Council for Continuing Education and Training (ACCET) sent a review team to evaluate CTI. WHITESELL and [REDACTED] handled the accreditation review by ACCET without [REDACTED] assistance. [REDACTED] remembered that [REDACTED] allegations against CTI were referred to ACCET, and ACCET made an inquiry into the allegations. [REDACTED] was aware that WHITESELL knew DR. [REDACTED] of ACCET. He was not aware that [REDACTED] was receiving payments from WHITESELL.

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46A-WF-179870 Sub UU

Continuation of FD-302 of [REDACTED], On 4/20/94, Page 4

[REDACTED] advised that he responded to a request by Senator METZENBAUM's office for information about [REDACTED] allegations. [REDACTED] had contacted Senator METZENBAUM's office with his complaints. [REDACTED] recalled that he probably sent a letter to Senator METZENBAUM on behalf of CTI in which he disputed [REDACTED] allegations.

[REDACTED] stated that he did not have any dealings with U.S. Congressman DONALD "BUZ" LUKENS related to his representation of WHITESELL, [REDACTED] or CTI. [REDACTED] did not attempt to contact LUKENS, nor was he contacted by LUKENS or anyone from LUKENS' congressional office. [REDACTED] claimed that he was not aware of attempts by LUKENS to intercede on behalf of WHITESELL, [REDACTED] or CTI. [REDACTED] was asked whether [REDACTED] ever suggested that he get LUKENS involved to try to influence the outcome of the case against CTI. [REDACTED] responded that he could not answer that question because it would violate the attorney-client privilege between himself and [REDACTED]. [REDACTED] stated that, hypothetically, he would have advised [REDACTED] that a congressman would not be able to provide any significant help with the problems facing CTI. [REDACTED] stated that he was not aware of any payments made by [REDACTED] WHITESELL, or CTI to LUKENS. [REDACTED] was not aware of any financial relationship between [REDACTED] and LUKENS. [REDACTED] advised that he could not comment on his knowledge of any personal relationship between [REDACTED] and LUKENS due to the attorney-client privilege. [REDACTED] stated that he was not aware of any relationship between WHITESELL and LUKENS.

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[REDACTED] suggested that the FBI might want to contact [REDACTED] an attorney with BAUER, MORELLI, & HYDE, 1029 Main Street, Cincinnati, Ohio, telephone number [REDACTED] served as a co-counsel representing CTI and his firm represented WHITESELL's estate. [REDACTED] stated that [REDACTED] had more of a direct relationship with WHITESELL. [REDACTED] also suggested that WHITESELL's estate could waive the attorney-client privilege with respect to statements between [REDACTED] and WHITESELL.

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[REDACTED] informed that [REDACTED] possibly provided legal representation to [REDACTED]

[REDACTED] was questioned concerning a program review of CTI conducted by the U.S. DOE and other regulatory agencies during August 1990. [REDACTED] advised that he had no knowledge of



46A-WF-179870 Sub UU

Continuation of FD-302 of [REDACTED], On 4/20/94, Page 5

the program review and did not recall interacting with anyone from DOE. [REDACTED] mentioned that the August 1990 program review would have been around the time of the settlement between CTI and the LAS. On September 29, 1990, BFCA formally severed its relationship with CTI, because the firm was not being paid.

[REDACTED] speculated that [REDACTED] WHITESELL, and CTI probably just handled the program review by themselves without an attorney, possibly because they were in the process of shutting down CTI. [REDACTED] commented that [REDACTED] WHITESELL, and CTI were probably "pretty disgusted" with [REDACTED] by then. BFCA was not being paid by CTI, so the firm was probably not enthused about taking on a new case involving CTI. Thus, [REDACTED] and BFCA were not consulted by CTI officials regarding the DOE review.

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[REDACTED] was asked whether he was aware of [REDACTED] making any threats against other persons or entities. [REDACTED] responded that he could not answer that question as it would violate the attorney-client privilege between [REDACTED] and himself. For the same reason, [REDACTED] could not answer the same question concerning threats made by WHITESELL. [REDACTED] offered that, during a judgment/debtor examination, [REDACTED] admitted to possessing a handgun.

[REDACTED] stated that, when WHITESELL was murdered, BFCA no longer represented WHITESELL, [REDACTED], or CTI. [REDACTED] was not contacted by the police and had no involvement with the homicide investigation. BFCA was not involved with WHITESELL's estate.

[REDACTED] advised that the HAMILTON COUNTY DEPARTMENT OF HUMAN SERVICES (HCDHS) in Cincinnati, Ohio, was apparently concerned with the way CTI was conducting business. The problems between the HCDHS and CTI related to welfare checks.

[REDACTED] commented that he felt the settlement agreement reached between CTI and the LAS was good for all of the parties involved. [REDACTED] stated that it was probably good for CTI to go out of business. BFCA has retained copies of depositions taken of some former CTI employees, including [REDACTED] and others. BFCA also has copies of the videotapes showing the CTI recruiters making illegal solicitations.

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46A-WF-179870 Sub UU

Continuation of FD-302 of [REDACTED]

, On 4/20/94, Page 6

[REDACTED] explained the dispute between [REDACTED] and himself which resulted in [REDACTED] filing a complaint with the Cincinnati Bar Association (CBA). [REDACTED] charged that [REDACTED] failed to live up to his ethical obligation for two reasons. First, [REDACTED] engaged in a conflict of interest by representing both CTI and its corporate officers. [REDACTED] maintained that [REDACTED] did not adequately disclose the conflict of interest. Secondly, [REDACTED] claimed that [REDACTED] did not adequately inform him of the terms of the settlement agreement between CTI and the LAS, and that he would be personally liable for the money owed by CTI. [REDACTED] responded to [REDACTED] allegations by saying that, early on in the legal proceedings, he suggested that separate attorneys be retained. [REDACTED] WHITESELL, and CTI decided to go with just one lawyer to save money. [REDACTED] also maintained that [REDACTED] was fully advised as to the consequences of signing the settlement agreement between the LAS and CTI. [REDACTED] was definitely told that he could be held personally liable for the monies owed by CTI. [REDACTED] suspected that WHITESELL may have "hoodwinked" [REDACTED] into thinking CTI would pay all of the obligations. When WHITESELL was killed and CTI dissolved [REDACTED] was left as the only source from whom the LAS could collect its money. When he LAS came after [REDACTED] for payment, he filed a grievance against [REDACTED] with the CBA. [REDACTED] advised that the CBA ruled in his favor in the dispute with [REDACTED] has appealed the decision to a higher authority. [REDACTED] has also threatened to sue [REDACTED] for malpractice. [REDACTED] current attorney is [REDACTED] of Oxford, Ohio. [REDACTED] provided some documents relating to his legal dispute with [REDACTED]

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/18/94

[redacted] was contacted at her place of employment, FRISCH'S BIG BOY (FBB), 745 North Columbus Avenue, Lebanon, Ohio, telephone [redacted] is a waitress for FBB and has been so employed for approximately 9 years. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] furnished the following information:

[redacted] stated that she could not recall U.S. Congressman DONALD "BUZ" LUKENS ever coming into the FBB in Lebanon, Ohio. She could not remember any of the other FBB employees or customers talking about LUKENS coming into the restaurant. [redacted] stated that it was conceivable that LUKENS could have come into the FBB at a time when she was not on duty and she might not have heard about it. b6 b7C

[redacted] advised that [redacted] is the only current FBB employee who would have been there during May, 1990. [redacted] informed that [redacted] was a waitress at FBB for a number of years. [redacted] described [redacted] as "really sharp" and suggested that [redacted] might remember LUKENS coming into the FBB. [redacted] is currently staying home with her children and lives in Lebanon.

[redacted] stated that the name [redacted] sounded familiar, but she could not say why. She had no recollection of the name [redacted]

Investigation on 4/21/94 at Lebanon, Ohio File # 46A-WF-179870 Sub UU 119  
by SA [redacted] skch Date dictated 4/28/94

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/10/94

[redacted] was contacted at her residence, [redacted]  
[redacted], Lebanon, Ohio, telephone number [redacted]  
[redacted]. After being advised of the identity of the  
interviewing agent and the nature of the interview, [redacted]  
provided the following information:

[redacted] advised that she was a waitress at the FRISCH'S  
BIG BOY (FBB) in Lebanon, Ohio, from approximately September,  
1985, through February, 1992. She generally worked shifts during  
the morning hours.

[redacted] stated that she had no recollection of U.S.  
Congressman DONALD "BUZ" LUKENS coming into the FBB in Lebanon or  
of anyone pointing out LUKENS to her. [redacted] stated that she had  
never heard of LUKENS. [redacted] could not think of any other FBB  
employees or other persons who might have observed LUKENS in the  
FBB restaurant.

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[redacted] had no knowledge of the names [redacted] or  
[redacted].

Investigation on 4/21/94 at Lebanon, Ohio File # 46A-WF-179870 Sub UU

by SA [redacted] kch Date dictated 4/28/94

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- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/8/94

[ ] was telephonically contacted at his place of employment, BAUER, MORELLI, & HYDE CO., L.P.A. (BMH), 1029 Main Street, Cincinnati, Ohio 45202, telephone number [ ]. [ ] is an Attorney and a partner in the law firm of BMH. After being advised of the identity of the interviewing agent and the nature of the interview, [ ] furnished the following information:

[ ] advised that BMH represented HENRY WHITESELL sporadically, generally getting involved whenever WHITESELL got sued or encountered a crisis. [ ] a partner in BMH, knew WHITESELL and had handled a house purchase transaction involving WHITESELL. [ ] informed that [ ] is 86 years old and in poor health. While [ ] was integrally involved with BMH's representation of WHITESELL, [ ] suggested that he answer the FBI's questions about BMH's dealings with WHITESELL. b6 b7C

[ ] informed that BMH handled the administration of WHITESELL's estate after he was killed in 1990. [ ] was appointed as the estate administrator. [ ] stated that being the administrator of WHITESELL's estate has been a "nightmare". WHITESELL died without a will. WHITESELL's estate was left insolvent after the government took whatever money and assets were left at the time of WHITESELL's death. [ ] advised that the estate tax division of the government just recently completed an audit of WHITESELL's estate. [ ] commented that, as the estate administrator, he has been subjected to the wrath of practically everyone with an interest in WHITESELL's estate.

[ ] stated that WHITESELL operated several proprietary schools in Ohio under the name of CAMBRIDGE TECHNICAL INSTITUTE. [ ] advised that BMH may have represented WHITESELL in matters such as buying buildings, negotiating leases, and other similar matters. BMH also provided some representation related to problems WHITESELL encountered with his schools. [ ] believed BMH may have been involved in the litigation and settlement of a lawsuit between CAMBRIDGE TECHNICAL INSTITUTE b6 b7C

Investigation on 4/21/94 at Franklin, Ohio File # WMFO 46A-WF-179870  
by SA [ ] Sub UU -120x1  
Date dictated 4/28/94

WMFO 46A-WF-179870

Continuation of FD-302 of [REDACTED], On 4/21/94, Page 2

(CTI) and the LEGAL AID SOCIETY (LAS) of Cincinnati, Ohio. [REDACTED] also recalled meeting with education officials in Columbus, Ohio, on a matter related to CTI. [REDACTED] further remembered dealing with Special Agent (SA) [REDACTED] concerning an FBI investigation involving CTI.

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[REDACTED] recalled that [REDACTED] was involved with WHITESELL in running CTI's proprietary schools. [REDACTED] stated that WHITESELL and [REDACTED] were the "name players" in the operation of the schools. [REDACTED] stated that he did not have that many dealings with [REDACTED]

[REDACTED] had no knowledge of WHITESELL or [REDACTED] ever mentioning U.S. Congressman DONALD "BUZ" LUKENS. [REDACTED] did not recall WHITESELL or [REDACTED] suggesting that LUKENS could help with the problems at CTI. [REDACTED] thought he had read something in an educational report concerning CTI about someone being friends with LUKENS. [REDACTED] reiterated that he had limited involvement with [REDACTED]

[REDACTED] stated that he is not representing [REDACTED] anymore and has no current dealings with [REDACTED]. [REDACTED] is now represented by another attorney in Middletown or Oxford, Ohio.

[REDACTED] advised that WHITESELL had a huge gambling problem. [REDACTED] found out about WHITESELL's gambling problem after the fact, and he had no knowledge of WHITESELL's problem while he was representing him.

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[REDACTED] stated that he would be the attorney to contact regarding obtaining a waiver from WHITESELL's estate of the attorney-client privilege between WHITESELL and [REDACTED] an attorney from Cincinnati, Ohio.

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/28/94

[ ] was interviewed at the U.S. DEPARTMENT OF JUSTICE (DOJ), Washington, D.C. Also present during the interview were DOJ Attorneys [ ] And [ ] After being advised as to the identity of the interviewing agent and the purpose of the interview, [ ] provided the following information:

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[ ] was shown a copy of a deposit ticket, dated May 3, 1990, which was used to deposit \$19,857.56 into the account of U.S. Congressman DONALD "BUZ" LUKENS at the Bank of the Sergeant-At-Arms for the U.S. House of Representatives (hereinafter referred to as the House Bank). One copy of the deposit ticket is attached for incorporation herein. Of the \$19,857.56 deposit, \$15,000.00 was provided through two \$7,500.00 checks payable to LUKENS from [ ] and HENRY WHITESELL. [ ] reviewed the deposit slip. He noted that the stamp of #1 on the deposit ticket indicated that the transaction had been handled by [ ], who was teller #1 at the House Bank. [ ] thought that the "D.E. LUKENS" written on the deposit slip was probably LUKENS' signature. He stated that the writing on the deposit item was not [ ] handwriting. [ ] recalled that LUKENS almost always handled his own transactions at the House Bank. [ ] informed that members of the House of Representatives were given a book of deposit tickets for the House Bank. [ ] stated that he did not remember writing out deposit tickets for LUKENS.

[ ] was shown a copy of a deposit ticket, dated June 18, 1990, which was used to deposit \$2,500.00 in LUKENS' account at the House Bank. One copy of this deposit item is attached for incorporation herein. The \$2,500.00 deposit consisted of a \$2,500.00 check payable to LUKENS from [ ] [ ] recognized his handwriting and initials on the deposit ticket. [ ] stated that he filled out the ticket. [ ] also noted that the deposit slip was stamped with a #3. [ ] advised that he was teller #3 at the House Bank. [ ] had no recollection of the \$2,500.00 transaction. [ ] speculated that the

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b7cInvestigation on 4/29/94 at Washington, D.C. File # 46A-WF-179870 SUB UU-120 X 2by SA [ ] Date dictated 5/6/94

WMFO 46A-WF-179870

Continuation of FD-302 of [REDACTED], On 4/29/94, Page 2

\$2,500.00 deposit may have been mailed in by LUKENS, since he [REDACTED] wrote out the deposit ticket. [REDACTED] thought he remembered receiving deposits from LUKENS through the mail.

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[REDACTED] was shown a copy of a deposit ticket, dated August 20, 1990, which was used to deposit \$4,500.00 into the House Bank account held by LUKENS. One copy of the deposit item is attached or incorporation herein. The \$4,500.00 deposit consisted of a \$5,000.00 check payable to LUKENS from [REDACTED] less cash of \$500.00 received by LUKENS. [REDACTED] recognized his handwriting and initials on the deposit ticket. [REDACTED] stated that he filled out the ticket. [REDACTED] advised that LUKENS would have had to come into the House Bank and personally negotiate the \$5,000.00 check, since he (LUKENS) got cash back. [REDACTED] stated that he would not have given cash back from a deposit to anyone except the House member himself, in this case LUKENS. [REDACTED] reiterated that he did not recall anyone else coming into the House Bank and handling LUKENS' business. [REDACTED] stated that he was confident that the August 20, 1990 date on the deposit ticket was accurate. [REDACTED] maintained that he would not have backdated a deposit ticket. [REDACTED] was asked why the August 20, 1990 deposit ticket and the \$5,000.00 check from [REDACTED] were located in the House Bank microfilm following what appears to be deposits for August 21, 1990. [REDACTED] explained that the deposit was not posted until the morning after it was made. [REDACTED] advised that, in some circumstances, House Bank personnel would take deposits down for posting immediately. However, this did not happen with the aforementioned deposit by LUKENS.

[REDACTED] was shown a copy of a deposit ticket, dated September 25, 1990, which was used to deposit \$5,000.00 into LUKENS' House Bank account. One copy of the deposit ticket is attached for incorporation herein. The deposit consisted of a \$5,000.00 check payable to LUKENS from [REDACTED] [REDACTED] advised that the deposit ticket was written by [REDACTED] and bore her initials. The deposit slip was also stamped with a #1. [REDACTED] speculated that the \$5,000.00 deposit might have been mailed in to the House Bank due to [REDACTED] handwriting on the deposit ticket. [REDACTED] said that LUKENS could have brought in the deposit himself, but LUKENS usually wrote his own deposit tickets. [REDACTED] commented that the endorsement on the back of the \$5,000.00 check from [REDACTED] to LUKENS appeared to be LUKENS' signature. He noted that the account number listed on the back of the \$5,000.00 check was not in [REDACTED] handwriting.

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WMFO 46A-WF-179870

Continuation of FD-302 of [REDACTED], On 4/29/94, Page 3

[REDACTED] was shown a copy of a \$1,300.00 check, dated August 21, 1990, written by LUKENS against his House Bank account for cash. One copy of this check is attached for incorporation herein. [REDACTED] stated that he would have handled the \$1,300.00 transaction for LUKENS, as evidenced by the #3 stamped on the check. [REDACTED] stated that he had no specific recollection of the transaction. [REDACTED] advised that LUKENS would have received cash from the House Bank in the amount of \$1,300.00. [REDACTED] was questioned regarding why there was no endorsement on the back of the \$1,300.00 check. He responded that an endorsement was not necessarily required for a member to cash his own check. [REDACTED] advised that the circle around the \$1,300.00 figure on the check could have been made by the House Bank bookkeeping department.

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[REDACTED] had no recollection of [REDACTED] stated that he could not recall anyone handling LUKENS' banking business, except LUKENS himself.

[REDACTED] could not recall LUKENS making deposits of cash into his House Bank account. [REDACTED] commented that members sometimes brought in large amounts of cash, but such occurrences did not happen very often. [REDACTED] recalled handling a transaction where U.S. Congresswoman MARY ROSE OAKAR personally came into the House Bank and brought in close to \$9,000.00 of cash. [REDACTED] remembered calling OAKAR's office to request that she cover an overdraft. OAKAR responded by bringing in the cash.

[REDACTED] was shown a copy of a deposit ticket, dated July 24, 1989, which was used to deposit \$1,000.00 of cash into LUKENS' House Bank account. One copy of this item is attached for incorporation herein. [REDACTED] identified the handwriting and initials of [REDACTED] on the deposit ticket. He advised that the transaction took place at [REDACTED] teller window at the House Bank.

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[REDACTED] was shown a copy of a deposit ticket, dated June 5, 1989, which was used to deposit \$1,920.00 of cash into LUKENS' account at the House Bank. One copy of this deposit ticket is attached for incorporation herein. [REDACTED] recognized the handwriting of [REDACTED] on the deposit slip. Although the stamp on the deposit ticket was somewhat obscured, it appeared that the stamp could have been #2. [REDACTED] identified [REDACTED] as teller #2 at the House Bank.

WMFO 46A-WF-179870

Continuation of FD-302 of [REDACTED], On 4/29/94, Page 4

[REDACTED] was shown a copy of a deposit ticket dated June 13, 1989 which was used to deposit \$900.00 of cash into LUKENS' House Bank account. One copy of this item is attached for incorporation herein. [REDACTED] identified [REDACTED] handwriting and initials on June 13, 1989 deposit ticket. [REDACTED] also noted that the ticket was stamped with a #2.

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[REDACTED] was shown a copy of a \$2,000.00 check, dated November 11, 1989, payable to LUKENS from [REDACTED]. [REDACTED] noted his teller stamp on the check. He did not remember any specifics about the negotiation of the \$2,000.00 check.

[REDACTED] was shown a copy of a \$1,000.00 check, dated April 13, 1990, payable to LUKENS from [REDACTED]. [REDACTED] could not identify a legible teller stamp on the check, nor could he remember anything about the transaction.

[REDACTED] was shown a copy of a \$1,000.00 check, dated August 9, 1990, payable to LUKENS from [REDACTED]. [REDACTED] identified [REDACTED] teller stamp on the \$1,000.00 check.

OFFICIAL  
INDIVIDUAL OFFICIAL RECEIPT

SERGEANT AT ARMS

U.S. House of Representatives  
Washington, DC 20515

Credit account of HONORABLE

D. E. Lukens

Account Number 4725

Date May 3 1990

Please see that all checks and drafts are endorsed  
State name of Bank on which items are drawn

Currency	Dollars	Cents

Coin

Checks  
(if not separate)

<u>268</u>	<u>7500</u>	<u>00</u>
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<u>173</u>	<u>7500</u>	<u>00</u>
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<u>2090-52787A</u>	<u>4857</u>	<u>56</u>
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205051

TOTAL 14,875.56

B-6236

C-507071

ORIGINAL  
INDIVIDUAL OFFICIAL RECEIPT

SERGEANT AT ARMS

U.S. House of Representatives  
Washington, DC 20515

Credit account of HONORABLE

*Donald Lukens*

Account Number 4725

Date 6/18 1990

Please see that all checks and drafts are endorsed  
State name of Bank on which items are drawn

Currency

Coin

Checks

63-8361 21a

TOTAL 5000

U.S. House of Representatives  
Washington, DC 20515

Account Number

Date \_\_\_\_\_

	Dollars	Cents
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Currency.

**Coin**

### Checks.

63-8365	5,000	-
Less cash	- 500	-

**TOTAL.**

ORIGINAL  
INDIVIDUAL OFFICIAL RECEIPT

SERGEANT AT ARMS.

U.S. House of Representatives  
Washington, D.C. 20515

Credit account of HONORABLE

D. LUKERS

Account Number 9725

Date 9/25/82

Please use this for all checks and drafts are returned.  
State name of bank on which items are drawn.

Currency \_\_\_\_\_

Coin \_\_\_\_\_

Checks 5000.00

Less amount \_\_\_\_\_

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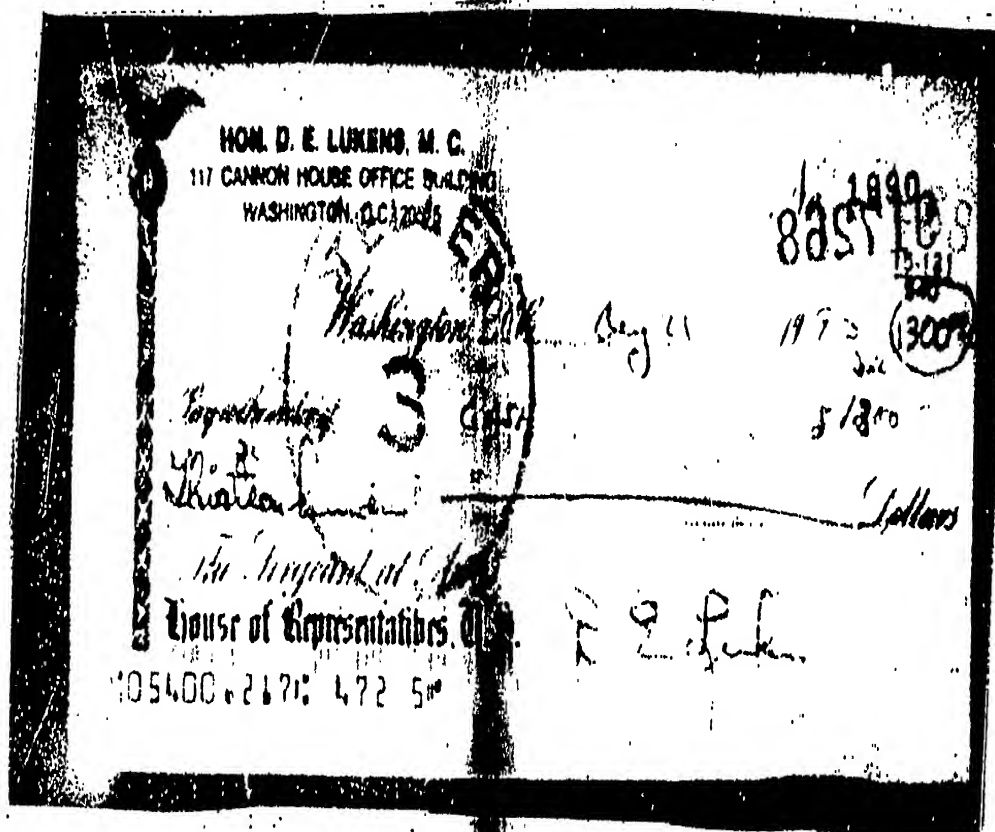
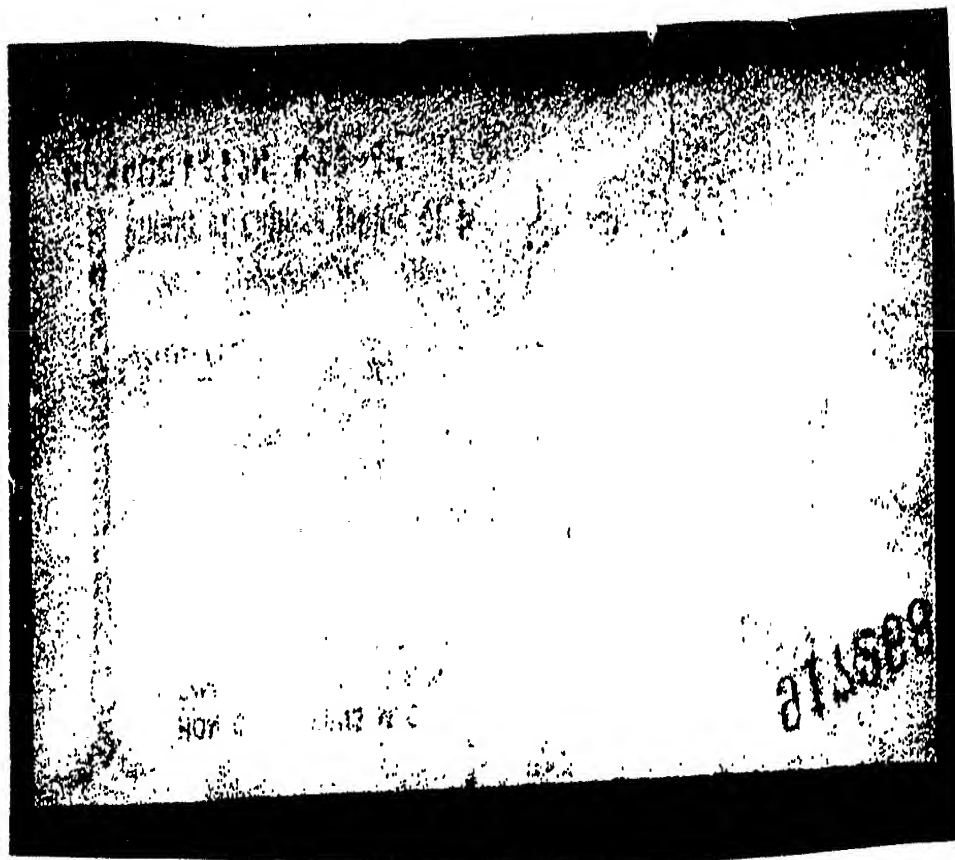
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ORIGINAL  
INDIVIDUAL OFFICIAL RECEIPT

SERGEANT AT ARMS  
U.S. House of Representatives  
Washington, DC 20515

1132  
1256.38

Credit account of HONORABLE

*Donald L. ...*

Account Number 4725

Date 7-24 1979

Please see that all checks and drafts are cashed  
State name of Bank on which items are drawn

Currency 1000 —

Coin \_\_\_\_\_

Checks \_\_\_\_\_  
(if over separate)

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TOTAL

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GPO 1984 92 558-17



**ORIGINAL**  
**INDIVIDUAL OFFICIAL RECEIPT**

**SERGEANT AT ARMS**

U. S. House of Representatives  
Washington, DC 20515

Order of HONORABLE

*Wm. B. Lukens*

**Address: Number**

**Deutscher**

Planes are shot at shortly and traffic are endangered  
They were shot down when they were in the air

**Current:**

**C**

## Check

ORIGINAL  
INDIVIDUAL OFFICIAL RECEIPT

SERGEANT AT ARMS  
U.S. House of Representatives  
Washington, DC 20515

Credit account of HONORABLE

*Amell King Luke*

Account Number

*4725*

Date

*6 13*

*1983*

Please see that all checks and drafts are endorsed  
State of \_\_\_\_\_ Bank on which these are drawn

Currency

*900*

Coin

Checks

TOTAL

*900*

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*206422*



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to  
File No.

7799 Leesburg Pike, Suite 200  
Falls Church, Virginia 22043  
May 13, 1994

[Redacted]  
Cleveland, Ohio 44114

Dear Mr. [Redacted]

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Our office is currently conducting an investigation into improprieties that occurred at Cambridge Technical Institute (CTI). We understand that you filed a lawsuit against CTI. We are very interested in talking with you about the problems you had with CTI. Please contact SA [Redacted] at telephone number [Redacted] as soon as possible. Please feel free to call collect. Thank you for your assistance.

Very truly yours,

ANTHONY E. DANIELS  
Assistant Director in Charge

By: [Redacted]  
Supervisory Special Agent

1 - Addressee  
① - WMFO  
CWS:les  
(2) *l*

46A-WF-179870 ucl  
-121  
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The following investigation was conducted by SA [redacted]  
[redacted] in Lebanon, Ohio:

On April 4, 1994, Special Agent (SA) [redacted] talked with several regular patrons at the FRISCH'S BIG BOY at 745 North Columbus Avenue, Lebanon, Ohio. None of the patrons contacted recalled U.S. Congressman DONALD "BUZ" LUKENS coming into the FRISCH'S BIG BOY (FBB) in Lebanon. Most of the men either knew LUKENS or knew of him. They mentioned that LUKENS grew up in Harveysburg, Ohio. One of the patrons commented that LUKENS had lost the family farm in the Harveysburg area. The farm was foreclosed on by a bank possibly located in Columbus, Ohio. Another patron recalled that, at one time, LUKENS had obtained a SMALL BUSINESS ADMINISTRATION (SBA) loan in an amount of around \$50,000 to grow grapes on his farm. The patron commented that he never saw any grapes, so LUKENS apparently used the money for other purposes.

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/20/94

[redacted] telephonically contacted the Washington Metropolitan Field Office (WMFO) of the FEDERAL BUREAU OF INVESTIGATION (FBI), Northern Virginia Resident Agency. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] furnished the following information:

[redacted] advised that he had been a student at the Cleveland, Ohio campus of CAMBRIDGE TECHNICAL INSTITUTE (CTI) during 1987. When [redacted] enrolled, he thought he was going into a training program for free-lance journalism. He soon determined that the class he was taking was in court reporting. However, CTI did not have any court reporting machines for the students to train on. While at CTI, [redacted] observed students who could not read or write. [redacted] stated that he was aware that CTI instructors were threatened with dismissal if they did not pass certain students. Students were deceived by CTI representatives into getting student loans which they would later be obligated to repay. [redacted] commented that students were being defrauded into believing that they would get an education at CTI and be able to get a job when this was not the case. [redacted] eventually determined that CTI's operation was a sham, and that CTI's primary objective was to get as much financial aid money flowing into CTI as possible and keep the money coming in at all costs.

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On 7/16/87, [redacted] contacted the office of U.S. Senator HOWARD METZENBAUM about the problems at CTI. [redacted] advised that [redacted] and [redacted] the Director of CTI's Cleveland school, came and wanted to talk to him about the complaint he had made with Senator METZENBAUM's office.

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[redacted] also sent a letter to [redacted] stated that he declined to discuss his complaints with [redacted], and HENRY WHITESELL. On 12/21/87, [redacted] was dismissed from CTI because he would not talk to them. [redacted] an instructor at CTI, was fired by the school. [redacted] advised that he filed a complaint with the Attorney General for the State of Ohio concerning his dismissal and [redacted] termination.

Investigation on 5/20/94 at Falls Church, Virginia File # WMFO 46A-WF-179870  
SUB UU -122x1

by SA [redacted] akyd Date dictated 5/27/94

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Continuation of FD-302 of [REDACTED], On 5/20/94, Page 2

[REDACTED] advised that he filed a lawsuit against CTI on 10/21/88. The suit was filed in Federal court in Cleveland, Ohio. The case number was C88-3917. In the lawsuit, [REDACTED] made allegations that CTI had violated rules and regulations promulgated by the U.S. DEPARTMENT OF EDUCATION (DOE) and the FEDERAL TRADE COMMISSION (FTC). [REDACTED] also cited advertising and recruiting improprieties by CTI. [REDACTED] informed that he had filed a complaint with the FTC on behalf of 41 students. [REDACTED] also mentioned being in contact with [REDACTED] of the DOE.

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[REDACTED] stated that he contacted the INTERNAL REVENUE SERVICE (IRS) about CTI. [REDACTED] contention was that students at CTI should not be obligated to repay student loans when they did not benefit from them. [REDACTED] stated that students at CTI were defrauded into signing up for student loans with the misrepresentations that they would get an education from CTI and ultimately a job. [REDACTED] advised that CTI paid off his student loan but only after he had protested significantly.

[REDACTED] questioned the accreditation of CTI. [REDACTED] contended that, if CTI was accredited, the school should not have received accreditation.

[REDACTED] filed additional lawsuits involving CTI. In Federal case number 190CV0484, [REDACTED] sued public officials, including former county prosecutor [REDACTED], for not filing criminal charges against CTI. On 7/2/90, [REDACTED] was arrested for aggravated burglary. [REDACTED] claimed the charges were false and that he was arrested as a reprisal for the suit he had filed against the public officials. [REDACTED] advised that the charges against him were dismissed and he was ordered to go to a psychiatric center. On 10/16/90, [REDACTED] filed case number 190CV1188 in which he sued for false arrest on the burglary charges. [REDACTED] informed that 11 people were involved in that lawsuit, including Detective [REDACTED].

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[REDACTED] informed that he had filed six lawsuits in Federal court. [REDACTED] filed all of the suits by himself and has represented himself in all of the cases. [REDACTED] did not retain an attorney to assist him with any of the lawsuits.

[REDACTED] advised that, in response to his allegations against CTI, [REDACTED] attempted to pay him off. [REDACTED] stated that WHITESELL wanted to pay off his student loan. [REDACTED] refused to

WMFO 46A-WF-179870 SUB UU

Continuation of FD-302 of [REDACTED], On 5/20/94, Page 3

accept the payoff of his loan, because WHITESELL would not agree to pay off the loans of the other CTI students. [REDACTED] confirmed that his student loan was eventually paid off by CTI. [REDACTED] could not recall being physically threatened as a result of his complaints against CTI.

[REDACTED] was questioned about his knowledge of U.S. Congressman DONALD "BUZ" LUKENS. [REDACTED] responded that LUKENS was very familiar with [REDACTED] and WHITESELL. [REDACTED] advised that he knew about LUKENS' association with [REDACTED] WHITESELL, and CTI through a report on CTI prepared by the DOE following a review of CTI conducted during August, 1990. [REDACTED] obtained a copy of the DOE report through the office of Michigan Senator [REDACTED] remembered reading that WHITESELL was upset because he was not warned by the DOE about the review. He also recalled that [REDACTED] was upset about the DOE review and contacted LUKENS to complain.

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[REDACTED] stated that approximately 15 attempts had been made to stop his actions against CTI. The attempts included an anonymous death threat that [REDACTED] received in the mail. [REDACTED] also mentioned the false arrest for burglary and the attempts of [REDACTED] and [REDACTED] to negotiate with him about his complaints against CTI. Additionally, CTI paid off his student loan to attempt to satisfy him. [REDACTED] could not recall for sure whether he had been contacted by LUKENS or LUKENS' staff concerning his allegations against CTI.

[REDACTED] informed that he currently works for MINUTEMAN TEMPORARY SERVICE which is located on Cedar Avenue in Cleveland, Ohio. [REDACTED] can be reached by sending correspondence to [REDACTED] Cleveland, Ohio 44114. [REDACTED] was born on 9/20/43 in Akron, Ohio. [REDACTED] birth name was [REDACTED]

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FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ AIRTEL

## PRECEDENCE:

☐ Immediate  
☒ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

Date 5/23/94

FM FBI WMFO (46A-WF-179870 SUB UU) (P)

TO FBI CLEVELAND/PRIORITY/

BT

UNCLAS

CITE: //3920//

SUBJECT: BIG BOUNCE; MAJOR CASE #55; OO:WMFO.

RE WMFO TELETYPE TO CLEVELAND ON 5/19/94.

FOR INFORMATION OF CLEVELAND, ON 5/20/94, [REDACTED]

TELEPHONICALLY CONTACTED THE WMFO FBI OFFICE AND WAS

INTERVIEWED BY TELEPHONE. AS A RESULT, CLEVELAND CAN

DISCONTINUE EFFORTS TO LOCATE AND INTERVIEW [REDACTED] IT IS

REQUESTED THAT CLEVELAND STILL COVER THE LEAD IN REFERENCED

TELETYPE TO OBTAIN COPIES OF COMPLAINTS AND DOCKET SHEETS FOR

ALL LAWSUITS FILED BY [REDACTED] IN U.S. DISTRICT COURT IN

CLEVELAND, OHIO. [REDACTED] PROVIDED THE FOLLOWING CASE NUMBERS

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b7c46A-WF-179870 Sub UU  
32 32 - 123Approved: AS/HLOriginal filename: 125001W.143Time Received: 115Telprep filename: 125001SO.143MRI/JULIAN DATE: 794 1143ISN: 021FOX DATE & TIME OF ACCEPTANCE: 5/23/94 12 KLT



^PAGE 2 WMFO (46A-WF-179870 SUB UU) UNCLAS

FOR SOME OF THE ADDITIONAL LAWSUITS HE FILED: 1:88CV3917,  
FILED 10/21/88; 1:90CV0484; AND 1:90CV1188.

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FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☒ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

Date 5/24/94

FM FBI WMFO (46A-WF-179870 SUB UU) (P)

TO FBI CINCINNATI/ROUTINE/

BT

UNCLAS

CITE: //3920//

SUBJECT: BIG BOUNCE; MAJOR CASE #55; OO:WMFO

RE 5/24/94 TELCALL BETWEEN SA [REDACTED] CINCINNATI  
DIVISION, MIDDLETOWN RA, AND SA [REDACTED] WMFO  
DIVISION.

FOR INFORMATION OF CINCINNATI, WMFO IS CURRENTLY  
INVESTIGATING FORMER U.S. CONGRESSMAN DONALD "BUZ" LUKENS FOR  
ALLEGEDLY ACCEPTING BRIBES FROM [REDACTED] AND HENRY  
WHITESELL. THE CASE IS NEARING COMPLETION AND INDICTMENTS OF  
LUKENS AND [REDACTED] ARE ANTICIPATED POSSIBLY AS SOON AS  
6/1/90. WMFO HAS BEEN ATTEMPTING TO GET IN TOUCH  
TELEPHONICALLY WITH A POTENTIAL KEY WITNESS NAMED [REDACTED]

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Approved: ASD/93Original filename: 125002W.144Time Received: 1498 1/144Telprep filename: 125002W.144MRI/JULIAN DATE: 1498 1/144ISN: 059FOX DATE & TIME OF ACCEPTANCE: 5/24/94 5LH 4:24

46A-WF-179870 UU-124

^PAGE 2 WMFO (46A-WF-179870 SUB UU) UNCLAS

[ ] WHO LIVES IN MIDDLETOWN, OHIO. NUMEROUS PHONE MESSAGES HAVE BEEN LEFT ON [ ] ANSWERING MACHINE, BUT HE HAS YET TO RETURN THE CALLS. [ ] IS NOT A SUBJECT OF THE CASE AND IS NOT CONSIDERED TO BE IN ANY TROUBLE. HOWEVER, INVESTIGATION HAS DETERMINED THAT HE MAY STILL BE IN CONTACT WITH

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[ ] WMFO WOULD LIKE TO TALK TO [ ] AS SOON AS POSSIBLE AND POSSIBLY SUBPOENA HIM TO TESTIFY BEFORE THE GRAND JURY.

LEAD:

CINCINNATI DIVISION AT MIDDLETOWN, OHIO:

WILL ATTEMPT TO CONTACT [ ] BLACK MALE,  
DOB [ ] SSAN [ ] AT HIS RESIDENCE, [ ]  
[ ] MIDDLETOWN, OHIO, TELEPHONE NUMBER [ ]  
WILL INSTRUCT [ ] TO TELEPHONICALLY CONTACT SA [ ]  
[ ] WMFO, TELEPHONE NUMBER [ ] AS SOON AS  
POSSIBLE. CONTACTING AGENT SHOULD ADVISE [ ] THAT HE IS  
NOT CONSIDERED TO BE A TARGET OF THE INVESTIGATION, AND THAT  
SA [ ] MERELY WANTS TO ASK HIM SOME QUESTIONS ABOUT HIS  
FORMER EMPLOYMENT AT CAMBRIDGE TECHNICAL INSTITUTE. IF [ ]  
IS UNCOOPERATIVE, CONTACTING AGENT CAN ADVISE HIM THAT A

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^PAGE 3 WMFO (46A-WF-179870 SUB UU) UNCLAS

SUBPOENA MAY BE FORTHCOMING FOR HIM TO TESTIFY BEFORE THE  
GRAND JURY IN WASHINGTON, D. C.

BT

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/22/94

[redacted] was contacted at his place of employment, U.S. DEPARTMENT OF EDUCATION (DOE), Washington, D.C., telephone number [redacted]. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] furnished the following information:

[redacted] recalled being contacted by an attorney named [redacted] during September, 1990. [redacted] claimed to represent a client who had information about schools that were defrauding the DOE out of financial aid monies. [redacted] did not identify his client to [redacted]. [redacted] wanted to set up a meeting between himself and [redacted] at the earliest possible date. By checking a 1990 calendar, [redacted] was able to determine that his first contact with [redacted] was around Wednesday, September 5, 1990.

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On Saturday, September 8, 1990, [redacted] met with [redacted] at about 9:00 a.m. or 10:00 a.m. in the morning. The meeting took place on [redacted] boat, which was docked in Washington, D.C. [redacted]'s client, [redacted] was not present at the meeting. [redacted] wanted to arrange some type of immunity for his client. [redacted] stated that he made no promises and told [redacted] that he could not agree to anything until he talked with an Assistant United States Attorney (AUSA). It was agreed that [redacted] client should meet with agents from the DOE Office of the Inspector General (OIG) as soon as possible.

On approximately Monday, September 10, 1990, [redacted] contacted [redacted] of the DOE OIG in Philadelphia, Pennsylvania. He advised [redacted] about his meeting with [redacted]. [redacted] suggested that the DOE OIG arrange to meet with [redacted] and his client at the earliest date possible. [redacted] recalled that [redacted] wife, who is the daughter of country singer HANK WILLIAMS, was on tour in the midwest. [redacted] believed that DOE OIG agents met with [redacted] and his client sometime in the next few days at a location in the midwest.

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b7CInvestigation on 5/25/94 at Fall's Church, Virginia File # WMFO 46A-WF-179870SUB UU - 124X1by SA [redacted]

[signature] skyd

Date dictated 6/1/94

WMFO 46A-WF-179870 SUB UU

Continuation of FD-302 of [REDACTED], On 5/25/94, Page 2

[REDACTED] recalled that [REDACTED] claimed to have been formerly associated with the U.S. Senate Permanent Subcommittee for investigations chaired by Senator SAM NUNN. That subcommittee had been conducting hearings on Pell Grant fraud. [REDACTED] suggested that [REDACTED] may have contacted the subcommittee and been referred to the DOE OIG. [REDACTED] identified [REDACTED] as the Chief Investigator for the Senate Subcommittee for investigations. [REDACTED] can be reached at telephone number [REDACTED]

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[REDACTED] advised that he never met or spoke to [REDACTED]

[REDACTED] did not prepare a report of his interview with [REDACTED] indicated that he might have made some mention of the meeting in a memorandum.

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/30/94

[redacted] was contacted at his place of employment, OFFICE OF MANAGEMENT AND BUDGET (OMB), Washington, D.C., telephone number [redacted] was previously employed as an Attorney for the Ohio Attorney General's Office. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] furnished the following information:

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While working for the Ohio Attorney General's Office, [redacted] was involved in a lawsuit against a proprietary school called CAMBRIDGE TECHNICAL INSTITUTE (CTI). [redacted] recalled that the Attorney General (AG) sued CTI for unfair and deceptive practices under the theory that the school promised but failed to deliver educational services. [redacted] mentioned several specific problems with CTI's operation. He stated that CTI continuously enrolled individuals who were not capable of completing CTI's program because of some deficiency. To entice persons to enroll at CTI, recruiters often told the prospective students that they would be paid for going to school and placed into jobs when their training was completed. CTI signed up its students for Pell Grants and Guaranteed Student Loans (GSLs). Regarding the GSLs, [redacted] commented that CTI was signing up its students to incur indebtedness that they would not be able to repay. The default rate on GSLs to CTI students was around 80 percent. [redacted] also stated that the instructors at CTI had no expertise, and that there was no validation of CTI's curriculum. [redacted] apparently just sat down and wrote the curriculum for CTI. [redacted] further stated that the certificates awarded by CTI to its graduates were of no value, and that a lot of CTI's training was just in the area of basic skills. In addition, [redacted] mentioned that CTI's entrance exam was not monitored, so that virtually everyone passed. Most of CTI's recruits were poor black people who would easily qualify for financial aid. [redacted] described CTI as merely a "shell" of an organization. [redacted] advised that the operators of CTI, [redacted] and HENRY WHITESELL, knew about CTI's shortcomings and did not do anything about them.

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b7CInvestigation on 5/24/94 at Washington, D.C. File # 46A-WF-179870 SUB UU

-124X2

by SA [redacted] gona Date dictated 6/1/94

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Continuation of FD-302 of [REDACTED], On 5/24/94, Page 2

[REDACTED] advised that the Ohio AG filed a complaint against CTI. As part of the case, the AG's Office conducted some investigation, including interviewing some students at CTI. The AG's Office also engaged in discovery with CTI. At some point in the proceedings, the AG's Office took the depositions of [REDACTED] and WHITESELL. [REDACTED] informed that records from the case, including the depositions of [REDACTED] and WHITESELL, should be located at the Ohio AG's Office in Columbus, Ohio. [REDACTED] advised that, when he left the Ohio AG's Office around August, 1990, the CTI case was transferred to [REDACTED]

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[REDACTED] stated that he did not personally have any contact with U.S. Congressman DONALD "BUZ" LUKENS or anyone from LUKENS' staff concerning the CTI case. [REDACTED] was not aware of any contact by LUKENS with the AG's office. [REDACTED] commented that LUKENS could have possibly contacted someone in the AG's Office at a higher level than himself. [REDACTED] would not necessarily have been notified of such a call. [REDACTED] identified his supervisors as [REDACTED] and [REDACTED]. [REDACTED] was the First Assistant in the AG's Office and probably would have been the first person to take a call from a congressional member. [REDACTED] informed that [REDACTED], who was the Division Chief, is now a teacher in Gambier, Ohio. [REDACTED] is an attorney in private practice in Columbus, Ohio. [REDACTED] also mentioned that [REDACTED] was involved with the CTI case. She has since left the AG's Office.

[REDACTED] advised that, during 1988 and 1989, Ohio State Senator MICHAEL WHITE was attempting to introduce legislation to tighten up the regulations on proprietary schools. The Ohio AG's Office provided information to WHITE's office regarding the CTI situation. WHITE conducted hearings concerning technical school fraud during which CTI students testified. [REDACTED] remembered working with a staffer from WHITE's Office named [REDACTED]. WHITE is now the Mayor of Cleveland, Ohio, and [REDACTED] is one of his aides. [REDACTED] can be reached at telephone number [REDACTED]

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[REDACTED] informed that the CLEVELAND PLAIN DEALER newspaper ran an expose' series of articles on CTI.

[REDACTED] described [REDACTED] as a "very tough individual." He also commented that [REDACTED] was very "slimey." [REDACTED] recalled people associated with CTI saying they



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Continuation of FD-302 of [REDACTED], On 5/24/94, Page 3

had been threatened. However, he could not remember any definitive threats.

[REDACTED] informed that an attorney named [REDACTED] represented CTI in the lawsuit filed by the Ohio AG.

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[REDACTED] recalled that the STATE BOARD OF PROPRIETARY SCHOOL REGISTRATION (SBPSR) in Ohio regulated CTI. The ACCREDITING COUNCIL FOR CONTINUING EDUCATION & TRAINING (ACCET) accredited CTI.

[REDACTED] advised that [REDACTED] and [REDACTED] were investigators who worked on the CTI case. [REDACTED] may be with the Cleveland branch of the Ohio AG's Office. [REDACTED] is now the Chief Investigator for the Ohio AG's Office.

[REDACTED] informed that his unlisted home telephone number is [REDACTED]

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/24/94

[redacted] was contacted at his residence, [redacted] Middletown, Ohio 45042, telephone number [redacted] is retired on a disability and requires oxygen supplements. After being advised of the identity of the interviewing Agent and the nature of the interview, [redacted] provided the following information:

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[redacted] advised that he used to work for CAMBRIDGE TECHNICAL INSTITUTE (CTI). [redacted] was employed with CTI's schools in Middletown, Dayton and Cincinnati, Ohio, at various times. [redacted] started out as an instructor at CTI and worked up to the position of Campus Director. [redacted] served as Director of CTI's campuses in Dayton and Cincinnati. When he left his employment at CTI, [redacted] was the Campus Director at CTI's school at 7th and Race Streets in Cincinnati. [redacted] stated that he did not work at CTI's corporate headquarters in Cincinnati.

[redacted] was questioned about an audit of CTI conducted by the U.S. DEPARTMENT OF EDUCATION (DOE) during August 1990. [redacted] advised that, at the time of the DOE audit, he had already quit working for CTI. However, he was at the CTI campus in Dayton, Ohio, helping [redacted] had recently been appointed as the Director of CTI's Dayton campus. [redacted] was helping [redacted] get oriented to his new position as Campus Director.

[redacted] remembered the auditors arriving at CTI's Dayton campus. [redacted] thought the DOE personnel arrived at about lunch time on a Tuesday or Wednesday. At the time of their arrival, someone was apparently talking on the telephone with a CTI employee who was at CTI's corporate office in Cincinnati. HENRY WHITESELL, the owner of CTI, got on the telephone line. WHITESELL directed the Dayton CTI office not to let the auditors see anything until he could get there. WHITESELL complained that the DOE auditors did not give him any warning about the audit. A DOE official responded that DOE was not required to give CTI any advance notice.

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Investigation on 5/10/94 at Falls Church, VA File # 46A-WF-179870 Sub UU  
by SA [redacted] Date dictated 5/17/94 -125

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Continuation of FD-302 of [REDACTED], On 5/10/90, Page 2

[REDACTED] advised that WHITESELL and [REDACTED] immediately drove up to CTI's DAYTON location. [REDACTED] recalled that they arrived at the DAYTON campus in about the amount of time it would take to drive from Cincinnati to Dayton, so they must have left Cincinnati right away. The DOE auditors waited in Dayton to meet with WHITESELL and [REDACTED] recalled that WHITESELL and [REDACTED] travelled up to Dayton to see the DOE auditors on the same day that the surprise DOE audit was initiated. [REDACTED] was confident that [REDACTED] was with WHITESELL when he arrived at CTI's Dayton campus.

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[REDACTED] recalled that WHITESELL would not let the auditors look at any of CTI's records on the first day of the audit. The DOE auditors left but informed WHITESELL that they would be back and that they would look at the records when they returned. The DOE auditors then apparently went to CTI's location in Cincinnati. [REDACTED] advised that the auditors returned the following day. The DOE auditors stayed at CTI's Dayton location for about a week reviewing records.

[REDACTED] advised that he and his wife stayed at CTI's Dayton office practically all night on the date that the DOE auditors initially showed up in Dayton. They worked putting files back into folders and organizing the CTI records. [REDACTED] indicated that they had to put files into folders that had been borrowed and returned by CTI's corporate headquarters. [REDACTED] maintained that he and his wife did not make any changes or alterations to the records they were working with that night. [REDACTED] said that [REDACTED] also came to the Dayton Office that night and "fooled with the records." [REDACTED] explained that his wife [REDACTED], worked for him at CTI as an unpaid employee from 1986 until the school closed.

[REDACTED] was asked whether CTI held a big meeting at its corporate headquarters right after the unannounced DOE audit began. [REDACTED] stated that he did not attend such a meeting. However, he believed that the meeting was held, because he recalled [REDACTED] having to go to CTI's corporate office for something important at that time.

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[REDACTED] stated that he did not have any advance warning that the DOE auditors were coming to conduct a review of CTI. [REDACTED] had no indication that WHITESELL or [REDACTED] knew beforehand about the DOE audit. [REDACTED] advised that, in the past,

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Continuation of FD-302 of [REDACTED], On 5/10/90, Page 3

the DOE always notified WHITESELL in advance when an audit team was coming to the CTI premises.

[REDACTED] felt that the unannounced DOE audit might have been motivated in part by complaints from students at CTI. [REDACTED] mentioned that he did not agree with some of CTI'S student recruiting practices as he believed they were deceptive. [REDACTED] advised that CTI recruiters regularly told prospective students that they could get free money by going to school at CTI. They presented the program as if, "You come to school (at CTI), we'll give you this money." [REDACTED] did not approve of the methods used by CTI to recruit students. However, the CTI recruiters were generally under the direction of WHITESELL, and there was not much [REDACTED] could do to change things.

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[REDACTED] recalled that, on at least one occasion, [REDACTED] mentioned that CTI was going to get assistance from U.S. Congressman DONALD "BUZ" LUKENS. [REDACTED] remembered attending a CTI Directors meeting in Cincinnati, Ohio. CTI was being sued by the Legal Aid Society (LAS). [REDACTED] said something to the effect of, "Buz is going to help us with this mess." [REDACTED] could not recall specifically what LUKENS was going to do for CTI.

[REDACTED] did not know if LUKENS was paid for his services by [REDACTED] WHITESELL, or CTI. [REDACTED] stated that common sense made him think they probably paid money to LUKENS, but he was not aware of specific payments. [REDACTED] suggested that payments to LUKENS might be reflected in CTI'S payroll records.

[REDACTED] stated that [REDACTED] obviously knew LUKENS. However, [REDACTED] did not know how [REDACTED] knew LUKENS or the nature of the their relationship. [REDACTED] could not recall ever seeing LUKENS at CTI.

[REDACTED] advised that a lawsuit was filed against CTI'S campus in Cleveland, Ohio, which created big problems for CTI. [REDACTED] stated that he was not privy to discussions concerning the Cleveland lawsuit. [REDACTED] did not know whether LUKENS helped CTI in any way with the Cleveland lawsuit. [REDACTED] did not recognize the name [REDACTED]

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[REDACTED] was asked about situations where students who had made complaints against CTI were beaten up. [REDACTED] commented that

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Continuation of FD-302 of [REDACTED], On 5/10/90, Page 4

while he was working in Cincinnati, he was aware of a former CTI student named [REDACTED] being beaten up. The rumor was that a couple of CTI's recruiters administered the beating and were paid to do it by the President of CTI, [REDACTED] heard rumors that [REDACTED] hired the assailants to beat up [REDACTED] stated that he has no proof to support the above-stated rumors.

[REDACTED] had no recollection of a beating involving a man named [REDACTED]  
[REDACTED]

[REDACTED] commented that [REDACTED] was always moaning and groaning that he did not make enough money.

b6  
b7C

C-9

/READ 1331/152  
0000 MRI 01331

PP FBICI

DE FBIWMFO #0012 1531229

ZNR UUUUU

P 012035Z JUN 94

FM FBI WMFO (46A-WF-179870 SUB UU) (P)

TO FBI CINCINNATI/PRIORITY/

BT

UNCLAS

CITE: //3920//

SUBJECT: BIG BOUNCE; MAJOR CASE #55; OO:WMFO.

ARMED AND DANGEROUS.

ADMINISTRATIVE: SUBJECT [REDACTED] IS KNOWN TO  
CARRY A .45 CALIBER HANDGUN AND IS CONSIDERED A PRIME SUSPECT  
IN THE UNSOLVED MURDER OF HIS PARTNER, HENRY WHITESELL.  
ACCORDINGLY [REDACTED] SHOULD BE CONSIDERED ARMED AND  
DANGEROUS.

b6  
b7C

RE WMFO TELETYPE TO CINCINNATI ON 5/24/94, AND 6/1/94  
TELCALL BETWEEN SA [REDACTED] CINCINNATI DIVISION,  
MIDDLETOWN RA, AND SA [REDACTED] WMFO DIVISION.

46A-WF-179870, SUB UU

SEARCHED	INDEXED
SERIALIZED	FILED
JUN 02 1994	
FBI - WASH. METRO FIELD OFFICE	

-126

PAGE TWO DE FBIWMFO 0012 UNCLAS

FOR INFORMATION OF CINCINNATI, WMFO IS PRESENTLY INVESTIGATING A CASE IN WHICH U.S. CONGRESSMAN DONALD "BUZ" LUKENS RECEIVED MULTIPLE BRIBE PAYMENTS FROM [REDACTED] TO ATTEMPT TO INFLUENCE REGULATORY ACTION AGAINST

[REDACTED] SCHOOL, CAMBRIDGE TECHNICAL INSTITUTE (CTI).

DURING THE COURSE OF THE INVESTIGATION, WMFO LOCATED A FORMER CTI EMPLOYEE NAMED [REDACTED] WHO HAS BEEN A VERY HELPFUL WITNESS AGAINST [REDACTED]. ON 5/31/90, [REDACTED] CONTACTED THE WMFO FBI OFFICE AND ADVISED THAT [REDACTED] HAD CALLED HIM. [REDACTED] ASKED [REDACTED] WHETHER HE HAD BEEN CONTACTED BY THE FBI AND ATTEMPTED TO DISSUADE HIM FROM BEING COOPERATIVE WITH THE FBI. [REDACTED] TOLD [REDACTED] THAT HE HAD NOT TALKED WITH THE FBI.

b6  
b7C

WMFO WOULD LIKE TO HAVE [REDACTED] TELEPHONICALLY CONTACTED [REDACTED] TELL HIM THAT HE HAS BEEN CONTACTED BY THE FBI, AND ASK [REDACTED] FOR ADVICE IN RESPONDING TO THE FBI'S QUESTIONS. HOPEFULLY, [REDACTED] WILL INSTRUCT [REDACTED] TO MAKE FALSE STATEMENTS TO THE FBI AND POSSIBLY OFFER [REDACTED] MONEY TO KEEP HIS SILENCE. WMFO WANTS TO CONSENSUALLY RECORD ANY CONVERSATIONS [REDACTED] HAS WITH [REDACTED] U.S. DEPARTMENT OF JUSTICE (DOJ) ATTORNEY'S [REDACTED] AND [REDACTED]

b6  
b7C

PAGE THREE DE FBIWMFO 0012 UNCLAS

[REDACTED] HAVE BEEN CONTACTED AND CONCUR WITH THE CONSENSUAL  
MONITORING OF ANY TELEPHONE CONVERSATIONS BETWEEN [REDACTED] AND

[REDACTED] EICHER CAN BE REACHED AT TELEPHONE NUMBER [REDACTED]

[REDACTED] AND [REDACTED] CAN BE CONTACTED AT [REDACTED]

LEAD:

CINCINNATI DIVISION:

AT BLANCHESTER, OHIO:

WILL CONTACT [REDACTED] AT [REDACTED]

OR [REDACTED]

[REDACTED] CINCINNATI,

OHIO [REDACTED] AND MAKE ARRANGEMENTS TO SET UP

CONSENSUAL RECORDING EQUIPMENT ON [REDACTED] PHONE. WILL

ASSIST [REDACTED] IN RECORDING TELEPHONE CONVERSATIONS WITH [REDACTED]

[REDACTED] CINCINNATI CASE AGENT CAN CONTACT WMFO SA

[REDACTED] AT TELEPHONE NUMBER [REDACTED] OR

PAGER NUMBER [REDACTED] WITH QUESTIONS OR TO OBTAIN MORE  
INFORMATION CONCERNING PROPOSED CONSENSUAL MONITORING.

ARMED AND DANGEROUS.

BT

#0012

NNNN

b6  
b7C  
b7D



# Memorandum



To : ADIC, WMFO (46A-WF-179870, SUB UU) (P) Date 6/1/94  
(C-9) (NVMRA)

From : SA [redacted]

Subject: BIG BOUNCE;  
MAJOR CASE #55;  
OO: WMFO

Authority is requested to utilize electronic devices to monitor and/or record telephone conversations between a Bureau Cooperating Witness, [redacted] and subject [redacted]

[redacted] made several bribe payments to former U.S. Congressman DONALD "BUZ" LUKENS during 1990. [redacted] company, CAMBRIDGE TECHNICAL INSTITUTE (CTI), was engaged in a massive scam to defraud the U.S. DEPARTMENT OF EDUCATION (DOE), and [redacted] paid LUKENS to attempt to intercede on CTI's behalf against the regulatory agencies investigating CTI. Source [redacted]

b6  
b7C  
b7D

[redacted] and [redacted] are both residing in Ohio. The Cincinnati FBI Office is presently working with source to record conversations between [redacted] and CW. However, Cincinnati Case Agent is located in Middletown, a two-man Resident Agency. In the event that Cincinnati Division Agent may be unavailable to assist CW in recording calls with [redacted] it would be advisable for WMFO Case Agent to have the authority to record calls from WMFO Office via three-way conference calls. [redacted] has an impatient personality and does not like to be kept waiting for a callback if he initiates a contact with source. If WMFO has the flexibility to record calls from Washington, such problems can be minimized. It is anticipated that [redacted] will instruct source to make false statements to the FBI and the Grand Jury during the proposed phone conversations.

b6  
b7C  
b7D

## Copies: (5)

- 1 - 46A-WF-179870, SUB UU
- 1 - 46A-WF-179870, SUB X
- 1 - 66-779, SUB H
- 1 - 66-779, SUB I

CWS/CWS

SA [redacted]

Please note  
time change  
For duration  
JZ

46A-WF-179870  
Sub UU  
126X1

lu

On 6/3/94, U.S. DEPARTMENT OF JUSTICE (DOJ) Attorney [redacted] was contacted regarding the above-captioned matter. [redacted] foresees no entrapment issues and concurs in the use of electronic devices on a consensual basis to record telephone conversations between CW and [redacted] strongly suggested that WMFO be prepared to monitor and record conversations between CW and [redacted] as a backup in the event Cincinnati Division Case Agent is unable to assist CW and as a means of eliminating possibility of CW manipulating the recordings should he/she still maintain loyalty to [redacted]

b6  
b7C

Authority is requested to use electronic devices as outlined above. Authority is requested for a ~~60 day period~~ duration.

OK / SAC Timothy P. McNally / my

**ORIGINAL**

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/2/94

I am [redacted] Special Agent (SA) of the Federal Bureau of Investigation (FBI), Middletown Ohio. It's now approximately 3:30 P.M., June 2, 1994. [redacted] is in the Middletown Resident Agency. He is about to telephone [redacted] at area code [redacted] in response to a telephone call for [redacted] in Cincinnati, Ohio, from [redacted] which was received at 1:56 P.M., on June 2, 1994. This conversation will be consensually monitored with [redacted] approval as evidence by an executed FD-472 on this date.

b6  
b7C  
b7D

Investigation on 6/2/94 at Cincinnati, Ohio File # 46A-WF-179870 SUB 44-

by SA [redacted] ban Date dictated 6/2/94

126x7

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/18/94

On 5/11/94, [redacted] of the J.W. MARRIOTT HOTEL, 1331 Pennsylvania Avenue, N.W., Washington, D.C. 20004, telephone number [redacted] extension [redacted] provided Special Agent (SA) [redacted] with one J.W. MARRIOTT registration card signed by [redacted]. The registration card reflected an arrival date of 8/18/90 and a departure date of 8/21/90. One copy of the registration card is attached for incorporation herein.

b6  
b7C

Investigation on 5/11/94 at Washington, D.C. File # 46A-WF-179870, SUB UU-127  
by SA [redacted] Date dictated 5/18/94

11/ [Redacted]  
 ROOM [Redacted] NAME [Redacted]  
 DDB [Redacted]  
 TYPE [Redacted] FIRM OR GROUP [Redacted]  
 [Redacted]  
 ROOM CLERK [Redacted]  
 NAME [Redacted]  
 ADDRESS [Redacted]  
 CITY/STATE [Redacted]  
 COMPANY [Redacted]  
 DATE OF DEPARTURE [Redacted]

DEPART 08/21/90  
 ARRIVE 08/18/90  
 TIME 9  
 3.00  
 GROUP 1

RATES DO NOT INCLUDE APPLICABLE SALES, OCCUPANCY OR OTHER TAXES  
 D4 RZ  
 4, 0, 0, 0, 0  
 RESERVATION 1952

\$244.00  
 coupon \$69.00 off

AN/RATE DEPOSIT REC'D  
 On Pennsylvania Avenue  
 at National Place  
 1331 Pennsylvania Avenue, NW  
 Washington, D.C. 20004  
 202-393-2000

JWM

NOTICE TO GUEST  
 for the protection of your valuables

• Account payable on presentation or departure  
 The undersigned agrees to make immediate payment upon receipt of statement.  
 In the event such payment is not made within 25 days after receipt of the original statement, it is agreed  
 CHARGE at the rate  
 allowed by law, on  
 including attorney fees.

I would like to handle my account by: (check one)  
☐ CASH ☐ VISA ☐ MASTERCARD ☐ DINERS CLUB ☐ AMERICAN EXPRESS  
 We do accept personal checks with approved I.D.

I agree that my liability for this bill is not waived and I agree to be held personally liable in the event that the indicated person, company, or association fails to pay for the full amount of the charges.

RATE CHANGE

# ROOM CHANGES

DATE	ROOM NO.	RATE	CLERK
390			

OF CHECKS CASHED

CREDIT CARD APPROVALS

CLERK	DATE	APPROVAL NO.	AMOUNT	CLERK
CLERK				

0208000497  
 8187320  
 4080500598  
 DECK DC

CREDIT

b6  
 b7C

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 5/16/94

TO : SAC, WMFO (46A-WF-179870 - Sub UU)  
 FROM : SAC, CINCINNATI (46A-WF-179870) (RUC)  
 SUBJECT : BIG BOUNCE  
 MAJOR CASE #55  
 OO:WMFO

Re WMFO teletype to CI, 5/3/94.

Being forwarded under separate cover to WMFO are two boxes of records obtained from [redacted] that he had removed from the Cambridge Technical Institute office of [redacted] at [redacted] direction.

These records were provided to the FBI by [redacted] on 5/9/94. On 5/12/94, several file folders from these records were turned over to the U.S. Department of Justice attorney prosecuting this matter for review at his request. [redacted] requested that all the records be returned directly to him upon the closing of the case by WMFO unless he subsequently directs otherwise. [redacted] residence address is [redacted] telephone [redacted]

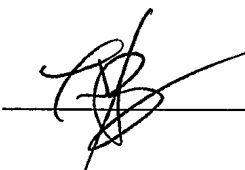
b6  
 b7C

- ③ - WMFO  
 (1 <sup>JE</sup> Package Copy)  
 1 - Cincinnati

JHL/csf  
 (4)

46A-WF-179870, SUB UU  
 -128

SEARCHED <u>JE</u>	INDEXED <u>JE</u>
SERIALIZED <u>JE</u>	FILED <u>JE</u>
MAY 17 1994	
FBI-WASHINGTON FIELD	

Approved: 

Transmitted

(Number)

(Time)

Per

C-9

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 5/16/94

TO : SAC, WMFO (46A-WF-179870 - Sub UU) ✓  
FROM : SAC, CINCINNATI (46A-WF-179870) (RUC)  
SUBJECT : BIG BOUNCE  
MAJOR CASE #55  
OO:WMFO

Re WMFO teletype to CI, 5/5/94.

Being forwarded under separate cover to WMFO are five boxes containing checks on the corporate accounts of Cambridge Technical Institute and Bohecker's College, along with other business records.

These records were obtained on 5/5/94, from attorney [redacted] Bauer, Morelli and Heyd, 1029 Main St., Cincinnati, Ohio 45202, telephone [redacted] was the corporate attorney for Cambridge Technical Institute and Bohecker's Business College. He advised that the records are no longer needed by his office and may be destroyed by WMFO upon the closing of their case rather than being returned to him.

b6  
b7c

③ - WMFO  
(1 - Package Copy)  
1 - Cincinnati

JHL/csf  
(4)

46A-WF-179870-Sub UU-129  
JE INDEXED  
7  
FBI FIELD

Approved: TS/B

Transmitted

(Number) (Time)

Per



/READ 1609/139  
0000 MRI 01609

PP FBICV

DE FBIWMFO #0044 1392142

ZNR UUUUU

P 192124Z MAY 94

FM FBI WMFO (46A-WF-179870 SUB UU) (P)

TO FBI CLEVELAND/PRIORITY/

BT

UNCLAS

CITE: //3920//

SUBJECT: BIG BOUNCE; MAJOR CASE #55; OO:WMFO.

FOR INFORMATION OF CLEVELAND, WMFO IS CURRENTLY  
INVESTIGATING FORMER U.S. CONGRESSMAN DONALD "BUZ" LUKENS FOR  
ALLEGEDLY ACCEPTING BRIBES FROM [REDACTED] AND HENRY  
WHITESELL. [REDACTED] AND WHITESELL OPERATED CAMBRIDGE  
TECHNICAL INSTITUTE (CTI) AND BOHECKERS BUSINESS COLLEGE  
(BEC), TWO PROPRIETARY SCHOOLS IN OHIO. [REDACTED] AND  
WHITESELL, THROUGH THEIR SCHOOLS, ENGAGED IN A MASSIVE FRAUD  
SCAM THROUGH WHICH THEY DEFRAUDED THE U.S. DEPARTMENT OF  
EDUCATION (DOE) OUT OF MILLIONS OF DOLLARS. CTI WOULD RECRUIT

b6  
b7C

46A-WF-179870, SUB U  
-13

SEARCHED INDEXED  
SERIALIZED FILED

PAGE TWO DE FBIWMFO 0044 UNCLAS

PROSPECTIVE STUDENTS FROM WELFARE LINES, SOUP KITCHENS, AND OTHER SIMILAR PLACES. ONCE THE STUDENTS WERE SIGNED UP, CTI WOULD ARRANGE FOR THE STUDENTS TO RECEIVE PELL GRANTS AND GUARANTEED STUDENT LOANS THROUGH THE DOE. CTI HAD THE STUDENTS ENDORSE THE CHECKS OVER TO THE SCHOOL. MOST OF THE STUDENTS WOULD DROP OUT OF SCHOOL AFTER A FEW DAYS, BUT CTI WOULD KEEP THE DOE MONEY INSTEAD OF MAKING APPROPRIATE REFUNDS. WHITESELL AND [REDACTED] ACQUIRED SUBSTANTIAL PERSONAL WEALTH THROUGH THIS SCAM, WHICH WENT ON FOR SEVERAL YEARS.

DURING 1990, THE DOE ALONG WITH OTHER REGULATORY AGENCIES BECAME AWARE OF THE PROBLEMS OF CTI AND BEGAN TO TAKE ACTION. IN AUGUST, 1990, DOE CONDUCTED AN UNANNOUNCED AUDIT OF CTI. SEVERAL LAWSUITS WERE ALSO FILED AGAINST CTI BY VARIOUS ENTITIES. [REDACTED] ENLISTED LUKENS TO ATTEMPT TO INTERCEDE ON BEHALF OF CTI. IN RETURN FOR HIS ASSISTANCE, [REDACTED] AND WHITESELL MADE KNOWN PAYMENTS TO LUKENS OF \$27,500 OVER A FIVE MONTH PERIOD. INFORMATION DEVELOPED THROUGH INVESTIGATION INDICATES THAT THESE PAYMENTS WERE MADE TO LUKENS FOR THE EXPRESS PURPOSE OF SOLICITING HIS HELP WITH CTI'S NUMEROUS PROBLEMS.

b6  
b7c

PAGE THREE DE FBIWMFO 0044 UNCLAS

ONE OF THE CTI STUDENTS WHO ACTIVELY COMPLAINED AGAINST CTI WAS A MAN NAMED [REDACTED] FILED LAWSUITS AGAINST CTI AND FILED COMPLAINTS AGAINST CTI WITH VIRTUALLY EVERY REGULATORY AGENCY. [REDACTED] ALSO WROTE TO SEVERAL SENATORS AND CONGRESSIONAL MEMBERS WITH HIS COMPLAINTS. TWO OF THE KNOWN CASES [REDACTED] FILED AGAINST CTI IN U.S. DISTRICT COURT IN CLEVELAND, OHIO, WERE [REDACTED] CASE #1:90CV1188, FILED 7/2/90, AND CASE #1:92CV0293. IN ONE OF THE NUMEROUS LETTERS OF CORRESPONDENCE WRITTEN BY [REDACTED] HE STATES THAT TWO ATTEMPTS WERE MADE AGAINST HIM BY PUBLIC OFFICIALS TO REMOVE HIM FROM ALL LITIGATION. [REDACTED] DID NOT SPECIFICALLY NAME THE PUBLIC OFFICIALS, BUT, GIVEN THE CLOSE ASSOCIATION BETWEEN LUKENS AND [REDACTED] LUKENS MIGHT POSSIBLY HAVE BEEN ONE OF THE PUBLIC OFFICIALS REFERRED TO BY [REDACTED]

b6  
b7c

ATTEMPTS WERE MADE BY WMFO TO DETERMINE THE CURRENT LOCATION OF [REDACTED] HE APPEARS TO BE A TRANSIENT PERSON WHO MAY NOT HAVE A PERMANENT ADDRESS. [REDACTED] LAST KNOWN ADDRESS WAS [REDACTED] OTHER PAST ADDRESSES FOR [REDACTED]

PAGE FOUR DE FBIWMFO 0044 UNCLAS

[REDACTED]  
[REDACTED]  
[REDACTED] IS ALSO KNOWN AS [REDACTED] DOB IS

[REDACTED] AND HIS SSAN IS [REDACTED] HE IS A BLACK MALE,  
5'9", 142 POUNDS. [REDACTED] HAS FILED LAWSUITS AND COMPLAINTS IN  
CONJUNCTION WITH A [REDACTED] AND A [REDACTED]

b6  
b7C

IT IS VERY IMPORTANT THAT [REDACTED] BE LOCATED AND  
INTERVIEWED DUE TO THE FACT THAT LUKENS MAY HAVE MADE ATTEMPTS  
TO PERSUADE HIM CEASE HIS LEGAL ACTIONS AGAINST CTI. WMFO  
ANTICIPATES INDICTING LUKENS ON BRIBERY CHARGES AROUND 6/1/94.  
CLEVELAND DIVISION IS REQUESTED TO ATTEMPT TO LOCATE AND  
INTERVIEW [REDACTED] AS EXPEDITIOUSLY AS POSSIBLE. CLEVELAND CASE  
AGENT IN REQUESTED TO CONTACT WMFO SA [REDACTED]  
AT TELEPHONE NUMBER [REDACTED] OR PAGER NUMBER [REDACTED]  
[REDACTED] TO OBTAIN ADDITIONAL DETAILS BEFORE ATTEMPTING TO  
INTERVIEW [REDACTED]

LEADS:

b6  
b7C

CLEVELAND DIVISION

AT CLEVELAND, OHIO

1. WILL ATTEMPT TO LOCATE AND INTERVIEW [REDACTED] IN  
THE CLEVELAND AREA. WILL INTERVIEW [REDACTED] ABOUT HIS EXPERIENCE

PAGE FIVE DE FBIWMFO 0044 UNCLAS

AT CAMBRIDGE TECHNICAL INSTITUTE (CTI) AND ABOUT THE DETAILS OF ALL OF THE VARIOUS ACTIONS HE HAS FILED AGAINST CTI. WILL DETERMINE WHAT PUBLIC OFFICIALS MADE ATTEMPTS TO REMOVE HIM FROM LITIGATION AGAINST CTI AND THE DETAILS OF SUCH ATTEMPTS. IT IS REQUESTED THAT INTERVIEWING AGENTS DO NOT MENTION LUKENS NAME INITIALLY BUT ALLOW [ ] ON HIS OWN TO RECALL THE NAMES OF THE PUBLIC OFFICIALS. IF IT BECOMES APPARENT THAT [ ] DOES NOT RECALL LUKENS ON HIS OWN, LUKENS' NAME SHOULD THEN BE MENTIONED IN AN ATTEMPT TO REFRESH [ ] RECOLLECTION.

b6  
b7c

2. FROM THE U.S. DISTRICT COURT, 201 SUPERIOR AVENUE, 102 U.S. COURTHOUSE, CLEVELAND, OHIO, WILL OBTAIN COPIES OF THE INITIAL COMPLAINTS AND DOCKET SHEETS FOR EVERY COURT CASE FILED BY [ ] CASE NUMBERS 1:90CV1188 AND 1:92CV0293 SHOULD BE INCLUDED, BUT IT IS APPARENT THAT [ ] ALSO BROUGHT OTHER ACTIONS AGAINST CTI WHICH SHOULD BE RESEARCHED. AT THIS POINT ONLY THE INITIAL COMPLAINT FOR EACH LAWSUIT AND EACH CASE'S DOCKET SHEET NEED TO BE COPIED. WMFO WILL REVIEW THE DOCKET SHEETS TO DETERMINE WHAT, IF ANY, OTHER COURT FILES NEED TO BE COPIED AND PRODUCED AT A LATER DATE.

BT

#0044

NNNN

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 6/7/94

TO : SAC, CINCINNATI  
 FROM : ADIC, WMFO (46A-WF-179870, SUB UU) (P)  
 SUBJECT : BIG BOUNCE;  
 MAJOR CASE #55;  
 OO: WMFO

Re WMFO teletypes to Cincinnati on 5/24/94 and  
 6/1/94.

Enclosed for the Cincinnati Division are the  
 original and one copy each of Federal Grand Jury subpoenas  
 for testimony [redacted]  
 [redacted]

Administrative: Subject [redacted] is known  
 to carry a .45 caliber handgun and is considered a prime  
 suspect in the unsolved murder of his partner, HENRY  
 WHITESELL. Accordingly, [redacted] should be considered  
 Armed and Dangerous.

For information of Cincinnati, WMFO is currently  
 investigating former U.S. Congressman DONALD E. "BUZ" LUKENS  
 for allegedly accepting bribes from [redacted] and HENRY  
 WHITESELL. [redacted] and WHITESELL operated proprietary  
 schools in Ohio. When the schools got into trouble with  
 various regulatory agencies, [redacted] enlisted LUKENS' help  
 to intercede in the actions against the schools. [redacted]  
 and WHITESELL made known payments of \$27,500 to LUKENS.

b3  
 b6  
 b7c

ARMED AND DANGEROUS - SUBJECT CARRIES A HANDGUN

3 - Cincinnati (Enclos. 4)  
 1 - WMFO (46A-WF-179870, SUB UU)  
 CWS/cws

46A-WF-179870 Sub UU-131

SEARCHED INDEXED  
 SERIALIZED FILED

Approved: [Signature] Transmitted \_\_\_\_\_ Per \_\_\_\_\_  
 (Number) (Time)

46A-WF-179870, SUB UU

WMFO is in the process of presenting the testimony of various witnesses to the Federal Grand Jury in the District of Columbia. The U.S. DEPARTMENT OF JUSTICE (DOJ) has issued subpoenas for [REDACTED] to testify on [REDACTED]

LEADS:

CINCINNATI DIVISION

AT CINCINNATI, OHIO

b3  
b6  
b7C

Will serve enclosed Federal Grand Jury subpoena on [REDACTED]

AT TRENTON, OHIO

Will serve enclosed Federal Grand Jury subpoena on [REDACTED]

ARMED AND DANGEROUS - SUBJECT CARRIES A HANDGUN

C9

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 5/31/94

TO : SAC, WMFO

FROM : SAC, CINCINNATI (46A-WF-179870 SUB UU) (RUC)

SUBJECT : BIG BOUNCE;  
 MAJOR CASE #55;  
 OO:WMFO

ReWMFO teletype, dated 5/24/94, and 5/24/94 and 5/31/94 telcals between SA [REDACTED], Middletown RA, SA [REDACTED], WMFO.

On 5/24/94 pursuant to referenced telcal, the Middletown RA attempted to telephonically contact prospective witness [REDACTED] at [REDACTED]. No other answer was received besides a telephone answering machine.

b6  
 b7C

Personal contact was attempted at [REDACTED] residence, [REDACTED] Middletown, Ohio. No one answered at this fairly new single family residence. A business card was left on his door repeating the message which was left on his answering machine; that [REDACTED], who was not a target of investigation, should call WMFO to discuss the captioned investigation to avoid being subpoenaed to Washington.

On 5/31/94, WMFO advised that [REDACTED] had called earlier in the day and was not helpful.

② - WMFO  
 1 - Cincinnati  
 REH:reh  
 (3)

UCFN ☒ Pos ☐ Neg

GENERAL INDICES:

☐ Automated Search

WF: ☐ Pos ☐ Neg AX: ☐ Pos ☐ Neg

☐ Manual Search

WF: ☐ Pos ☐ Neg AX: ☐ Pos ☐ Neg

46A-WF-179870 SUB UU  
 132

SEARCHED INDEXED  
 SERIALIZED FILED

JUN 14 1994

FBI-WASHINGTON FIELD

Approved: *[Signature]*

Transmitted

(Number) (Time)



C-9

FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ AIRTEL

## PRECEDENCE:

☐ Immediate  
☒ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

Date 6/15/94

FM FBI WMFO (46A-WF-179870 SUB UU) (P)

TO FBI CLEVELAND/PRIORITY/

BT

UNCLAS

CITE: //3920//

SUBJECT: BIG BOUNCE; MAJOR CASE #55; OO:WMFO

ARMED AND DANGEROUS.

ADMINISTRATIVE: SUBJECT  IS KNOWN TO  
CARRY A .45 CALIBER HANDGUN AND IS CONSIDERED A PRIME SUSPECT  
IN THE UNSOLVED MURDER OF HIS PARTNER, HENRY WHITESELL.  
ACCORDINGLY  SHOULD BE CONSIDERED ARMED AND  
DANGEROUS.

b6  
b7C

RE WMFO TELETYPES TO CLEVELAND ON 5/19/94 AND 5/24/94.

FOR INFORMATION OF CLEVELAND, WMFO IS CURRENTLY  
INVESTIGATING FORMER U.S. CONGRESSMAN DONALD "BUZ" LUKENS FOR  
ACCEPTING BRIBE PAYMENTS FROM  ON 8/3/93,

46A-WF-179870-UU  
-133Approved: ASD/BS Original filename: 1-5001W.166Time Received:                      Telprep filename: 1-500150.166MRI/JULIAN DATE: 12/16/166 ISN: 025 28FOX DATE & TIME OF ACCEPTANCE: 6/15/ 3:13 (18)

^PAGE 2 WMFO (46A-WF-179870 SUB UU) UNCLAS

[REDACTED] WAS INTERVIEWED IN RAVENNA, OHIO, BY AGENTS OF THE  
FBI. [REDACTED] MAY STILL BE IN POSSESSION OF DOCUMENTS

[REDACTED]  
[REDACTED] CTI). THE U.S. DEPARTMENT OF  
JUSTICE (DOJ) INTENDS TO ISSUE A SUBPOENA DUCES TECUM TO  
[REDACTED] TO TURN OVER ALL RECORDS IN THIS POSSESSION

CONCERNING LUKENS AND CTI. INCLUDED WITH THE SUBPOENA WILL BE  
A TARGET LETTER DIRECTED TO [REDACTED] THE SUBPOENA IS  
RETURNABLE ON WEDNESDAY, JUNE 22, 1994. IN THE INTEREST OF  
TIME, THE SUBPOENA IS BEING SENT VIA AIR EXPRESS TO THE AKRON-  
CANTON RESIDENT AGENCY OF THE FBI. ANY QUESTIONS CAN BE  
DIRECTED TO SA [REDACTED], WMFO DIVISION,  
TELEPHONE NUMBER [REDACTED], PAGER NUMBER [REDACTED]

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b7D

LEAD:

CLEVELAND DIVISION

AT RAVENNA, OHIO

WILL SERVE FEDERAL GRAND JURY SUBPOENA AND TARGET LETTER  
ON [REDACTED] OWNS AND OPERATES BOHECKER'S  
BUSINESS COLLEGE (BBC) AT 161 EAST MAIN STREET, RAVENNA, OHIO,  
TELEPHONE NUMBERS [REDACTED] AND [REDACTED]

^PAGE 3 WMFO (46A-WF-179870 SUB UU) UNCLAS

[REDACTED] ALLEGEDLY SPENDS HIS WEEKENDS AT [REDACTED]  
MIDDLETOWN, OHIO, TELEPHONE NUMBER [REDACTED] 88.

[REDACTED] MAY COMPLY WITH THE SUBPOENA BY TURNING OVER THE  
RECORDS, ETC., TO AGENTS OF THE FBI IN OHIO. AGENTS SERVING  
SUBPOENA AND TARGET LETTER ON [REDACTED] SHOULD EXERCISE  
CAUTION AS [REDACTED] IS KNOWN TO HAVE DANGEROUS TENDENCIES.

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ARMED AND DANGEROUS.

BT

# United States District Court

WASHINGTON

DISTRICT OF

COLUMBIA

TO:

## SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:

☒ PERSON☐ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE

U.S. Court House  
Third and Constitution Avenue, N.W.  
Washington, D.C. 20530-0001

COURTROOM

Grand Jury Rm. 1  
Third Floor

DATE AND TIME

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):\*

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b7C

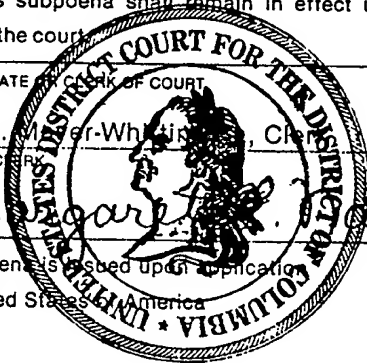
☐ Please see additional information on reverse.

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

U.S. MAGISTRATE IN CHIEF OF COURT

Nancy M. Miller-Whitely, Clerk  
(BY) DEPUTY CLERK

This subpoena is issued upon application  
of the United States District Court for the District of Columbia



DATE

June 21, 1994

SEND TO:

OF ASSISTANT U.S. ATTORNEY

Senior Counsel

House Bank Task Force, Rm. 2118  
10th & Constitution Ave., N.W.-Dept. of Justice  
Washington, D.C. 20530-0001 (202) 616-2300

\*If not applicable, enter "none."

46A-WF-179870 UU-134  
*mm mm*

## United States District Court

WASHINGTON

COLUMBIA

DISTRICT OF

TO:

SUBPOENA TO TESTIFY  
BEFORE GRAND JURY

SUBPOENA FOR:

☒ PERSON☐ DOCUMENT(S) OR OBJECT(S)

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Washington, D.C. 20530-0001

COURTROOM

Grand Jury Rm. 1  
Third Floor

DATE AND TIME



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b3  
b6  
b7C

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U.S. MAGISTRATE OR CLERK OF COURT

Nancy M. [Signature] Clerk  
(BY) DEPUTY CLERK

DATE

June 21, 1994

This subpoena is issued upon application  
of the United States District Court for the District of Columbia

SEND TO:

[Signature] OF ASSISTANT U.S. ATTORNEY  
Senior Counsel

House Bank Task Force, Rm. 2118  
10th & Constitution Ave., N.W.-Dept. of Justice  
Washington, D.C. 20530-0001 (202) 616-2300

\*If not applicable, enter "none."

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 6/21/94

TO : SAC, CINCINNATI  
 FROM : ADIC, WMFO (46A-WF-179870, SUB UU) (P)  
 SUBJECT : BIG BOUNCE;  
 MAJOR CASE #55;  
 OO:WMFO

Re WMFO teletypes to Cincinnati on 5/24/94 and 6/1/94, WMFO airtel to Cincinnati dated 6/7/94 and 6/20/94 telcall between SSA [redacted] Cincinnati Division, and SA [redacted], WMFO Division.

Enclosed for Cincinnati Division are the original and one copy each of Federal Grand Jury subpoenas directed to [redacted] and [redacted]

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ADMINISTRATIVE:

Subject [redacted] is known to carry a .45 caliber handgun and is considered to be a prime suspect in the unsolved murder of his partner HENRY WHITESELL. Accordingly, [redacted] should be considered ARMED AND DANGEROUS.

For information of Cincinnati, WMFO is currently investigating former U. S. Congressman DONALD "BUZ" LUKENS for allegedly accepting bribes from [redacted] and HENRY WHITESELL. [redacted] and WHITESELL operated proprietary schools in Ohio under the name of CAMBRIDGE TECHNICAL INSTITUTE (CTI). When CTI got into trouble with various regulatory agencies, [redacted] enlisted LUKENS' help to intercede on behalf of the schools. [redacted] and WHITESELL made known payments of \$27,500 to LUKENS.

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3 - Cincinnati (Enclosures 4)  
 1 - WMFO (46A-WF-179870 Sub UU)  
 CWS:les

46A-WF-179870 Sub UU 136

Approved: TEN/28/94

Transmitted

(Number)

(Time)

Per

WMFO is in the process of presenting the testimony of various witnesses to the Federal Grand Jury in the District of Columbia. The U.S. Department of Justice (DOJ) has issued subpoenas for [ ] and [ ] and [ ] were both formerly employed by CTI but were terminated by the organization. Both filed complaints against CTI or threatened to take such action. [ ] and WHITESELL apparently had [ ] beaten up and essentially bribed [ ] into recanting his complaint and signing a false affidavit which exonerated CTI.

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WHITESELL was murdered during October, 1990. WHITESELL's Mercedes Benz automobile was parked near the murder scene. Inside the trunk of the car, WHITESELL had a box containing CTI school records, Pell Grant information, U.S. Department of Education (DOE) audit papers, envelopes containing cashier's checks, and numerous CTI checks payable to various entities in large amounts. WHITESELL also had a briefcase containing personal papers, a telephone directory, and in his wallet a piece of paper containing the names of Special Agent (SA) [ ] and Assistant U.S. Attorney (AUSA) [ ]. WMFO needs to obtain copies of all of these items and all other documents and records in WHITESELL's possession at the time he was killed. WMFO has been in contact with Homicide Detective [ ] of the Cincinnati Police Department (CPD) regarding the foregoing evidence. Detective [ ] advised that he would check out the above-stated evidence and release it to the FBI for copying.

Additionally, a Federal Grand Jury subpoena was recently served on [ ] to [ ] attorney, [ ], recently contacted WMFO and advised that he would provide the subpoenaed information to the Cincinnati FBI Office. SSA [ ] was alerted during referenced telcall that [ ] would be bringing in [ ] to comply with the subpoena.

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Any questions concerning the following leads can be directed to WMFO SA [ ] at telephone number [ ] or pager number [ ]

#### LEADS

#### CINCINNATI DIVISION

#### At Cincinnati, Ohio

1. Will serve enclosed Federal Grand Jury subpoena on [ ] is a black male, 5'6" tall, 140 pounds, DOB [ ], SSAN [ ], FBI # [ ]

last known address was [redacted] Cincinnati, Ohio.  
[redacted] can possibly be contacted through his mother, [redacted]  
[redacted] who lives at [redacted] Cincinnati,  
telephone number [redacted], or through his girlfriend,  
name unknown, at telephone number [redacted]  
should be instructed to bring with him to the Grand Jury any  
records, statements, affidavits, etc., related to his  
employment at CTI or any dealings he has had with [redacted]  
[redacted] has an extensive criminal record, so  
caution should be exercised in serving the subpoena on [redacted]

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2. Will serve enclosed Federal Grand Jury subpoena  
on [redacted] last known address was [redacted]  
[redacted] Cincinnati, Ohio. [redacted] is possibly self-  
employed as a rehabber of properties. [redacted] should be  
instructed to bring with him to the Grand Jury any [redacted]  
[redacted]  
he has had with [redacted] should also be  
requested to produce [redacted]  
[redacted] and [redacted] another CTI  
employee, during which [redacted]  
[redacted]  
[redacted] WHITESELL, and other CTI associates.

3. Will contact Homicide Detective [redacted]  
Cincinnati Police Department (CPD), telephone number [redacted]  
[redacted] and arrange to review and copy all documentary  
evidence related to the HENRY WHITESELL murder investigation.  
Of particular importance are the items contained in the box in  
the truck of WHITESELL's car and the contents of his briefcase  
and wallet.

4. When contacted by [redacted] attorney,  
[redacted] will arrange to accept subpoenaed documents and  
records from him. [redacted] can be reached at telephone numbers  
[redacted] and [redacted] Will send  
documents to WMFO via fastest means possible to attempt to  
comply with subpoena return date of 6/22/94.

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ARMED AND DANGEROUS - SUBJECT CARRIES A HANDGUN.



- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/22/94

[redacted] DOB: [redacted] was telephonically contacted at her residence. [redacted] Trenton, Ohio, telephone number [redacted] currently works at BARBARA PARK NURSING HOME in Middletown, Ohio, telephone number [redacted] After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

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[redacted] advised that she went to work for CAMBRIDGE TECHNICAL INSTITUTE (CTI) around 1985 or 1986. She served in the capacity as Financial Aid Director. [redacted] generally worked out of CTI's main corporate offices at 30 Garfield Place, Cincinnati, Ohio. [redacted] resigned from CTI around February, 1990.

In her position of Financial Aid Director [redacted] had some control over Pell Grant monies received by students at CTI. [redacted] stated that she had very little control over funds received by CTI students through Guaranteed Student Loan (GSL) programs.

[redacted] was questioned concerning CTI's procedures for refunding federal financial aid monies for students that dropped out of CTI and therefore were not entitled to the full amounts of Pell Grants or GSLs. [redacted] advised that she kept track of the students that quit going to CTI and the refunds that needed to be paid back to the providers of funds. [redacted] stated that she submitted refund lists for payment by CTI. However, the refund checks often were not sent out. [redacted] commented that it was "pretty frequent" that refunds were not properly made by CTI. [redacted] felt that HENRY WHITESELL, the owner of CTI, was the person most responsible for CTI's failure to make timely refunds of financial aid monies. WHITESELL was the person who needed to sign the refund checks. [redacted] could only make refund check requests. She had no authority to sign the refund checks. WHITESELL would continually assure [redacted] that he was going to make the required refunds of financial aid monies. However, WHITESELL would not sign and send out the refund checks.

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(telephonically)

Investigation on 5/19/94 at Falls Church, VA File # 46A-WF-179870 SUB UU-137by SA [redacted] str Date dictated 5/26/94

46A-WF-170870 SUB UU

Continuation of FD-302 of [REDACTED], On 5/19/94, Page 2

[REDACTED] estimated that, at one time, CTI owed as much as \$500,000 worth of financial aid refunds. The obligations consisted of both GSL and Pell Grant funds. [REDACTED] estimated that the majority of the debt consisted of GSL obligations. [REDACTED] assumed that WHITESELL was having financial problems and was not capable of making the required refunds.

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[REDACTED] stated that she was worried about the fact that CTI was not properly making required refunds as it was supposed to. She discussed her concerns with WHITESELL and [REDACTED] the President of CTI, on several occasions. After their discussions, WHITESELL would usually make some refunds, although not enough to satisfy the obligations owed by CTI. In some instances, WHITESELL would tell [REDACTED] he did not have the money to make the necessary refunds. [REDACTED] stated that she did not see the CTI books and records, so she did not know whether WHITESELL was being truthful about CTI's financial situation.

[REDACTED] advised that [REDACTED] was privy to her discussions with WHITESELL about CTI's failure to make required refunds. She stated that [REDACTED] was definitely aware that CIT was not making refunds of monies received for students who had stopped attending CTI. [REDACTED] believed that WHITESELL and [REDACTED] probably discussed the situation amongst themselves in private meetings.

[REDACTED] stated that she consulted [REDACTED] for help in getting WHITESELL to make the appropriate refunds for students that had dropped out of CTI. [REDACTED] would tell [REDACTED] something to the effect of, "I'll do what I can." However, the refund checks would never get written or sent out. [REDACTED] believed that WHITESELL had the final say-so on whether refunds were made. [REDACTED] thought [REDACTED] was knowledgeable of the situation and certainly knew a lot more than she did.

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[REDACTED] advised that she had a Federal regulation book that she had provided to WHITESELL. Thus, WHITESELL was aware of the requirements that refunds of financial aid monies be made for students that had dropped out of school.

[REDACTED] became so concerned that CTI was not properly refunding Federal Financial aid monies that she resigned from CTI. WHITESELL coaxed her into returning to CTI by promising her

46A-WF-170870 SUB UU

Continuation of FD-302 of [REDACTED], On 5/19/94, Page 3

that all required financial aid refunds would be made. However, WHITESELL failed to make the refunds.

When it became apparent that WHITESELL was not going to make the necessary refunds of financial aid monies [REDACTED] resigned again from CTI, this time for good. [REDACTED] stated that her primary reason for leaving was that she knew CTI owed a large number of refunds that it had not repaid. She was concerned that the refunds were not being made and was bothered by the fact that she had no control over the situation. [REDACTED] knew that WHITESELL and CTI owed substantial sums of money that they did not have the resources to repay. [REDACTED] stated that she left CTI on friendly terms. She commented that WHITESELL seemed to know that he could not honor the refunds owed by CTI.

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[REDACTED] advised that she was not aware of CTI's overall financial matters. She was not aware of how much money was going to WHITESELL and [REDACTED] or which one was receiving the most money from CTI.

[REDACTED] did not recall the U.S. DEPARTMENT OF EDUCATION (DOE) ever doing an unannounced audit or review during her tenure with CTI. She advised that DOE would conduct normal reviews, but would always call her in advance. DOE would request specific files for review. [REDACTED] stated that the records she provided to DOE were always legitimate. [REDACTED] was not aware of any attempts to falsify or alter records to be provided to DOE.

[REDACTED] advised that CTI had problems with the Legal Aid Society (LAS) in Cincinnati, Ohio. She was aware that a lawsuit had been filed against CTI.

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[REDACTED] informed that CTI had some problems with state and local regulatory agencies. The troubles seemed to relate to CTI's recruitment of marginal students and the ability to benefit of such students. [REDACTED] stated that she and other CTI financial aid personnel questioned the ability to benefit of many of the students recruited by CTI. [REDACTED] commented that some of the recruiting tactics used by CTI were questionable.

[REDACTED] was familiar with former U.S. Congressman DONALD "BUZ" LUKENS. She could not recall LUKENS performing favors for [REDACTED] WHITESELL, or CTI.

46A-WF-170870 SUB UU

Continuation of FD-302 of [REDACTED], On 5/19/94, Page 4

[REDACTED] was not aware of [REDACTED] or WHITESELL having anyone beaten up. She recalled the name [REDACTED] but only that he was possibly a student at CTI.

[REDACTED] stated that she got the feeling that WHITESELL was trying to hide something from her. That feeling made her uneasy and influenced her decision to leave CTI. [REDACTED] commented that WHITESELL seemed to want her approval and wanted her to think he was a honest person. [REDACTED] stated that she was not aware of WHITESELL's extensive gambling while she worked for CTI. She only knew that WHITESELL went to the horse races from time to time.

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[REDACTED] commented that she thought WHITESELL started CTI with the good intentions of trying to help underprivileged persons acquire job training and get good jobs. However, somewhere along the line, the program got off track.

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/28/94

[redacted] telephonically contacted the Washington Metropolitan Field Office (WMFO) of the FEDERAL BUREAU OF INVESTIGATION (FBI), Northern Virginia Metropolitan Resident Agency. After being advised of the official identity of the interviewing Agent and the nature of the interview, [redacted] furnished the following information:

[redacted] advised that he was employed at CAMBRIDGE TECHNICAL INSTITUTE (CTI) for approximately three years. [redacted] began working at CTI around September, 1987. Prior to that time, [redacted] had been in the Army. [redacted] worked at CTI until October, 1990. Positions held by [redacted] during his tenure at CTI included being the Director of CTI's Cincinnati, Ohio, campus and being a Corporate Director. [redacted] was also responsible for job placement of CTI's graduates. Additionally, [redacted] operated a Child Care Facility for the children of students at CTI.

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[redacted] was questioned about an audit of CTI conducted by the U.S. DEPARTMENT OF EDUCATION (DOE) during August, 1990. [redacted] vaguely remembered possibly being around CTI when the DOE was conducting the review. He commented that CTI "always seemed to have audits going on." [redacted] recalled things getting "crazy" and having to run files from CTI's Cincinnati School to CTI's Corporate Headquarters. At some point, [redacted] heard that HENRY WHITESELL, the owner of CTI, had defrauded the DOE out of a large sum of money. [redacted] stated that he was aware that CTI regularly failed to send out financial aid refund checks in a timely manner.

[redacted] was asked about an important meeting held by CTI officials at the corporate headquarters around the time of the beginning of the DOE audit. [redacted] initially responded that he had no knowledge of such a meeting. He later said that he had some recollection of such a meeting. [redacted] remembered that the CTI employees had to put forth an extraordinary effort during the period of the audit, because DOE was asking for more supporting records than usual. During the DOE audit, CTI personnel were working very hard pulling files and records for the reviewers.

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(telephonically)

Investigation on 5/31/94 at Falls Church, Virginia File # 46A-WF-179870 SUB UU -138by SA [redacted] Date dictated 6/7/94

46A-WF-179870 SUB UU

Continuation of FD-302 of [REDACTED], On 5/31/94, Page 2

[REDACTED] stated that he talked to [REDACTED] the President of CTI, after the DOE auditors arrived. [REDACTED] told him something about WHITESELL keeping checks that he should have sent to other entities. [REDACTED] stated that he also heard rumors that WHITESELL would have CTI's canvassers forge signatures on financial aid checks payable to students who were no longer in school. [REDACTED] did not think that [REDACTED] knew about the fraudulent activities going on at CTI. However, [REDACTED] admitted that [REDACTED] definitely benefitted financially through his association with CTI. [REDACTED] advised that [REDACTED] had a nice house and lived an affluent lifestyle. [REDACTED] commented that [REDACTED] was making some money."

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[REDACTED] described the enrollment at CTI as "incredible," indicating that CTI had the potential to generate significant profits. [REDACTED] commented that the personnel in CTI's admissions office always received generous bonuses for bringing in students. He identified [REDACTED] and [REDACTED] (LNU), as employees in the CTI admissions office.

[REDACTED] described [REDACTED] as "okay." He commented that WHITESELL and [REDACTED] "seemed to have different motives." [REDACTED] stated that WHITESELL was always trying to shortchange people. [REDACTED] advised that he had some tax obligations related to his operation of the CTI Child Care Facility. WHITESELL was supposed to pay him [REDACTED] some money to cover the obligations. WHITESELL would never pay him [REDACTED] the money. [REDACTED] (LNU), the Accountant for CTI, told [REDACTED] that WHITESELL would not sign the checks for the payment of the money he (WHITESELL) owed [REDACTED] stated that he never considered himself to be on the "inside" at CTI.

[REDACTED] was aware of former U.S. Congressman DONALD "BUZ" LUKENS but stated that he did not know LUKENS personally. [REDACTED] stated that he could not recall [REDACTED] talking about LUKENS or LUKENS doing anything to help [REDACTED] or CTI. [REDACTED] advised that, on one occasion, WHITESELL hosted a dinner for a politician at this house in Hyde Park. [REDACTED] did not believe that the politician was LUKENS. He thought the person was someone running for governor.

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[REDACTED] claimed that he had no knowledge of [REDACTED]. He stated that he had no recollection of anyone being beaten up by employees of CTI.

46A-WF-179870 SUB UU

Continuation of FD-302 of \_\_\_\_\_, On 5/31/94, Page 3

\_\_\_\_\_ commented that, when he heard about WHITESELL's murder, he was glad he was away from CTI. \_\_\_\_\_ stated that WHITESELL had a gambling problem. There were also rumors that WHITESELL was involved with drugs and that, at the time of his murder, WHITESELL was trying to negotiate a drug deal to come up with some fast cash.

\_\_\_\_\_ stated that, before WHITESELL's death, \_\_\_\_\_ told him that he would help him get money from WHITESELL. \_\_\_\_\_ informed that WHITESELL gave him an Audi automobile which had been a CTI Company car. \_\_\_\_\_ arranged the sale of the car and provided the proceeds to \_\_\_\_\_. \_\_\_\_\_ claimed to have no idea how much money he received from \_\_\_\_\_ on the foregoing transaction.

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\_\_\_\_\_ stated that he occasionally sees \_\_\_\_\_ at the grocery store or around Middletown, Ohio. He last saw \_\_\_\_\_ about three weeks ago. \_\_\_\_\_ still calls \_\_\_\_\_ every now and then to see what is going on.

\_\_\_\_\_ informed that he is currently doing management consulting work for POPE AND ASSOCIATES, a company located in Cincinnati, Ohio. \_\_\_\_\_ lives at \_\_\_\_\_, Middletown, Ohio 45044. telephone number \_\_\_\_\_ was born on \_\_\_\_\_ and has a Social Security Account Number (SSAN) of \_\_\_\_\_.

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/17/94

A United States District Court Grand Jury subpoena duces tecum was served on [redacted] white male, date of birth [redacted] Social Security Account Number [redacted]. The subpoena was served on [redacted] at [redacted] place of business, Bohecker's Business College, 161 East Main Street, Ravenna, Ohio, 44266. [redacted] was also given a target letter. [redacted] is 5'5", 145 pounds, brown eyes, brown hair. [redacted] was advised of the identity of the interviewing agents and thereafter furnished the following:

[redacted] attorney is [redacted] of Oxford, Ohio.

[redacted] advised that he no longer had any records of the Cambridge Technical Institute. [redacted] stated that these records had already been turned over to his attorney, who then turned them over to someone with a state department or the Department of Education.

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Investigation on 6/17/94 at Ravenna, Ohio File # 46A-WF-179870 SUB UU  
by SA [redacted] and SA [redacted] Date dictated 6/20/94  
SA [redacted] :TLF:cd

-139



# United States District Court

WASHINGTON

DISTRICT OF

COLUMBIA

TO:

## SUBPOENA TO TESTIFY BEFORE GRAND JURY

SUBPOENA FOR:

☐ PERSON☒ DOCUMENT(S) OR OBJECT(S)

YOU ARE HEREBY COMMANDED to appear and testify before the Grand Jury of the United States District Court at the place, date, and time specified below.

PLACE

U.S. Court House  
Third and Constitution Avenue, N.W.  
Rm. 1 Washington, D.C. 20530-0001

COURTROOM

Grand Jury Rm. 1  
Third Floor

DATE AND TIME

YOU ARE ALSO COMMANDED to bring with you the following document(s) or object(s):\*

b3  
b6  
b7C

☐ Please see additional information on reverse.

This subpoena shall remain in effect until you are granted leave to depart by the court or by an officer acting on behalf of the court.

U.S. MAGISTRATE IN CHIEF OF COURT

Nancy M. Meyer-Whitman, Clerk

(BY) DEPUTY CLERK

This subpoena is issued upon application  
of the United States of America

SEND TO:

DATE

June 15, 1994

NAME, ADDRESS AND PHONE NUMBER OF ASSISTANT U.S. ATTORNEY

Senior Counsel

House Bank Task Force, Rm. 2118  
10th & Constitution Ave, N.W. - Dept. of Justice  
Washington, D.C. 20530-0001 (202) 616-2300

*Original  
returned to  
DOJ  
7/2/94*

*46A-WF-179870 Sub UCI*

*-140*

*CB*

# RETURN OF SERVICE

RECEIVED BY SERVER	DATE 6/17/94	PLACE AKRON, OH.
SERVED	DATE 6/17/94	PLACE RAVENNA, OH.

SERVED ON (PRINT NAME)

SERVED	[Redacted]	TITLE SA/FBI
	[Redacted]	

TRAVEL N/A	SERVICES	STATEMENT OF SERVICE FEES TOTAL
---------------	----------	------------------------------------

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b7C

## DECLARATION OF SERVER(2)

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of Service and Statement of Service Fees is true and correct.

Executed on 6/17/94 [Redacted]  
Date Signature of Server

FBI, AKRON, OH.  
Address of Server

## ADDITIONAL INFORMATION

- (1) As to who may serve a subpoena and the manner of its service see Rule 17(d), Federal Rules of Criminal Procedure, or Rule 45(c), Federal Rules of Civil Procedure.
- (2) "Fees and mileage need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agency thereof (Rule 45(c), Federal Rules of Civil Procedure; Rule 17(d), Federal Rules of Criminal Procedure) or on behalf of certain indigent parties and criminal defendants who are unable to pay such costs (28 USC 1825, Rule 17(b) Federal Rules of Criminal Procedure)".

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 6/20/94

TO : SAC, WMFO (46A-WF-179870 SUB UU)  
 FROM : SAC, CLEVELAND (46A-WF-179870 SUB UU) (P)  
 SUBJECT : BIG BOUNCE;  
 MAJOR CASE #55;  
 OO: WMFO

Re WMFO teletype to CV dated 6/15/94.

Enclosed for WMFO is the original executed subpoena which was served on [redacted] on 6/17/94. Also enclosed are the original and three copies of an FD-302 concerning service of subpoena on [redacted]

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[redacted] stated that he had turned over all records to his attorney, who had previously turned them over to a state investigative agency or the Department of Education. [redacted] advised that his attorney would prepare a letter in response to this subpoena.

(2) - WMFO (Enc. 5) *fl*  
 2 - Cleveland  
 TLF:cd  
 (4)

UCFN	<input checked="" type="checkbox"/> Pos	<input type="checkbox"/> Neg	<i>fl</i>
GENERAL INDICES:			
<input type="checkbox"/> Automated Search			
WF:	<input type="checkbox"/> Pos	<input type="checkbox"/> Neg	AX: <input type="checkbox"/> Pos <input type="checkbox"/> Neg
Approved Manual Search	Transmitted		
WF:	<input type="checkbox"/> Pos	<input type="checkbox"/> Neg	AX: <input type="checkbox"/> Pos <input type="checkbox"/> Neg
(Number)		(Time)	

46A-WF-179870-141

SEARCHED <i>fl</i>	INDEXED <i>fl</i>
SERIALIZED <i>fl</i>	FILED <i>fl</i>
JUN 27 1994	
FBI - WASH. METRO FIELD OFFICE	

*fl*

ORIGINAL

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/20/94

[redacted]  
telephone [redacted] was served with a Grand Jury subpoena  
issued by the United States District Court, Washington District  
of Columbia, on [redacted]. The subpoena requests [redacted] to  
appear to testify before the Grand Jury on [redacted] at  
[redacted]

b3  
b6  
b7C

Investigation on 6/20/94 at Cincinnati, Ohio File # 46A-WF-179870 Sub UU-142  
by SA [redacted] cd:cd Date dictated 6/20/94

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/17/94

[redacted] former employee of CAMBRIDGE  
TECHNICAL INSTITUTE (CTI) in Cincinnati, Ohio, residing at [redacted]  
[redacted] telephone [redacted] was  
served with a Federal Grand Jury subpoena, issued by the United  
States District Court, Washington, District of Columbia. The  
subpoena commanded her appearance there on [redacted] and directed  
her to [redacted]

b3  
b6  
b7C

Investigation on 6/17/94 at Middletown, Ohio File # 46A-WF-179870 Sub UU-113  
by SA [redacted] reh Date dictated 6/17/94

FBI

c-9

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 6/28/94

TO : ADIC, WMFO (46A-WF-179870-UU)  
 (ATTN: SA [redacted])

FROM : SAC, CINCINNATI (46A-WF-179870) (P)

SUBJECT : BIG BOUNCE;  
 MAJOR CASE #55;  
 OO: WMFO

ReWMFO teletype to Cincinnati, dated 6/7/94.

b6  
b7C

Enclosed for WMFO are two FD-340s, each containing an executed Federal Grand Jury subpoena, and the original and two copies of two FD-302s documenting service of the subpoenas issued by the United States District Court, Washington, DC, commanding the 6/22/94 appearance of [redacted] and [redacted]

③ - WMFO (Enc. 8) *CB*  
 2 - Cincinnati  
 REH:reh  
 (5)

46A-WF-179870 SUB UU-144

SEARCHED <i>CB</i>	INDEXED <i>CB</i>
SERIALIZED <i>CB</i>	FILED <i>CB</i>
JUL 01 1994	
FBI - V. AM. ...	

*[Signature]*

Approved: *[Signature]*

Transmitted

(Number) (Time)

Per

FBI

c-9

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 6/13/94

TO : SAC, WMFO (46-A-WF-179870 SUB UU)  
 (ATTN: SA [redacted])  
 FROM : SAC, CINCINNATI (46A-WF-179870) (P) (MRA)  
 SUBJECT : BIG BOUNCE;  
 MAJOR CASE #55;  
 OO:WMFO

Enclosed for WMFO is a duplicate audio cassette of the consensual telephonic monitoring of a conversation between [redacted] and [redacted] which occurred at approximately 3:30pm on 6/2/94.

b6  
 b7C  
 b7D

This conversation took place at the Bureau's Middletown Resident Agency with the consent of [redacted] as evidenced by an executed FD-472. Earlier that afternoon, [redacted] had placed a telephone call to [redacted] current employer, [redacted] leaving a message for [redacted] to call [redacted] back.

(2) - WMFO (ENC. 1)

1 - Cincinnati

REH:reh

SEARCHED	<input checked="" type="checkbox"/> Pos	<input type="checkbox"/> Neg
GENERAL INDEXES:		
<input type="checkbox"/> At	of Search	
WF:	<input type="checkbox"/> Pos	<input type="checkbox"/> Neg
<input type="checkbox"/> Manual		
WF:	<input type="checkbox"/> Pos	<input type="checkbox"/> Neg

46A-WF-179870 SUB UU-145

SEARCHED	INDEXED
SERIAL 1770	FILED
JUN 20 1994	
FBI-WASHINGTON FIELD	

Approved: *[Signature]*

Transmitted

(Number) (Time)

Per *[Signature]*

Enclosure  
 routed to  
 C/A  
 6/14/94

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 6/13/94

TO : ADIC, WMFO (46A-WF-179870 SUB UU) (P)  
 FROM : SAC, CLEVELAND  
 SUBJECT : BIG BOUNCE;  
 MAJOR CASE #55;  
 OO: WMFO

Reference WMFO teletypes to Cleveland, dated May 19, 1994 and May 23, 1994.

Enclosed for WMFO are Complaints and Docket Sheets for court cases filed by [REDACTED], Case Numbers: 92CV1560, 92CV293, 90CV484, and 90CV1188.

Cleveland did not locate Case Number 88CV3917 on their initial review of the court records. Cleveland will recheck those records to determine if that case exists and if it is a case filed by [REDACTED]

If WMFO requests any further assistance on this matter, they could contact SA [REDACTED] at telephone number: [REDACTED]

b6  
 b7c

Encls. *PL*

② - WMFO  
 2 - Cleveland  
 WES:daw

(4)

UCFN

☒ Pos☐ Neg

## GENERAL INSTRUCTIONS:

☐ Automated SearchWf ☐ Pos ☐ Neg AX: ☐ Pos ☐ Neg☐ Manual Search Transmitted

(Number)

(Time)

☐ Pos ☐ Neg

Approved:

Transmitted

46A-WF-179870-146

SEARCHED <input checked="" type="checkbox"/>	INDEXED <input checked="" type="checkbox"/>
SERIALIZED <input checked="" type="checkbox"/>	FILED <input checked="" type="checkbox"/>
JUN 22 1994	
FBI WASH. METRO FIELD OFFICE	

*WES*

Enclosures  
 routed to  
 C/A  
 6/19/94



## Memorandum



To : SAC ADIC, WMFO [REDACTED] (P)

Date 6/28/94

From : SA [REDACTED] (C-9)

b6  
b7C  
b7D

Subject: [REDACTED]

## Dates of Contact

4/21/94

## File #s on which contacted (Use Titles if File #s not available)

46A-WF-179870, SUB UU

## Purpose and results of contact

- ☐ NEGATIVE  
☒ POSITIVE (SEE ATTACHED FD-302)  
☐ STATISTIC

## Description of

Statistical Accomplishment

Title of Case

File No.

Information herein obtained confidentially; informant's name is not to be disclosed in a report or otherwise unless it has been decided definitely that this person is to be a witness in a trial or hearing.

## PERSONAL DATA

JUL 13 1994

- WASH. METRO FIELD OFFICE

cdd  
( )

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/28/94

[redacted] was contacted at the TACO BELL RESTAURANT at Highway 123 and Highway 42, Lebanon, Ohio. After being advised of the identity of the interviewing agent and the nature of the interview, the Cooperating Witness (CW) provided the following information:

CW advised that he/she had been a student at the Middletown, Ohio, campus of CAMBRIDGE TECHNICAL INSTITUTE (CTI). Around 1988, [redacted]

[redacted] He/she worked himself/herself up through the ranks at CTI to the positions of [redacted] and [redacted] CW described himself/herself as a [redacted]

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CW recalled that CTI was audited by the U.S. DEPARTMENT OF EDUCATION (DOE) around August, 1990. CW was working at CTI's Middletown campus at the time. He/she remembered that, at about 5:00 p.m. on the evening preceding the DOE audit (probably a Monday night), some of the DOE reviewers came to the Middletown campus of CTI and looked around. The reviewers did not identify themselves. CW asked if he/she could help them. They replied "no" and left the CTI premises. CW thought that the presence of the unidentified persons was odd, but it did not make him particularly suspicious. CW took no action although, in a subsequent telephone conversation with [redacted], the President of CTI, he/she mentioned that some people had been looking around the Middletown CTI location. CW did not learn that the persons looking around the Middletown campus were DOE personnel until some time after the DOE audit.

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Investigation on 4/21/94 at LEBANON, OHIO File # 46A-WF-179870 SUB UU

by SA [redacted] : cdd Date dictated 4/28/94

46A-WF-179870 SUB UU

Continuation of FD-302 of COOPERATING WITNESS, On 4/21/94, Page 2

Either the same night that he/she observed the DOE reviewers or the following evening, CW received calls from HENRY WHITESELL, the owner of CTI, and [REDACTED] WHITESELL instructed CW to come to CTI's corporate headquarters for a meeting at 9:00 p.m. that night. WHITESELL did not say that there were problems, but his voice showed anxiety. [REDACTED] told CW that there was trouble and directed him to be at CTI's corporate office for the 9:00 p.m. meeting. During the telephone conversation with [REDACTED] CW mentioned the people he/she had observed at CTI's Middletown location.

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CW travelled to CTI's corporate headquarters in Cincinnati for the meeting. [REDACTED] and WHITESELL were there. CW recalled that others at the meeting included [REDACTED] and [REDACTED] CW recalled that initially, [REDACTED] and WHITESELL met privately in WHITESELL's office. Following the meeting between [REDACTED] and WHITESELL, [REDACTED] came out of WHITESELL's office and talked with CW, [REDACTED] and possibly [REDACTED] CW learned that DOE was going to do an audit of CTI's program the next day. [REDACTED] told them that WHITESELL had "whacked the Pell," meaning that WHITESELL had stolen Pell Grant financial aid monies from the DOE. [REDACTED] indicated that WHITESELL had confessed to him that he had stolen financial aid funds. However, WHITESELL stayed in his office and was not present when [REDACTED] made the foregoing statements to CW, [REDACTED] and possibly [REDACTED]

CW commented that CTI had some "serious problems" related to financial aid monies. CW advised that CTI's financial aid director had been a person named [REDACTED] was a very conscientious person who administered the program according to the rules and regulations. However, [REDACTED] left her employment at CTI because of differences with WHITESELL. When [REDACTED] left, the "gates were open" for WHITESELL to access Pell Grant monies. WHITESELL could apparently just call up DOE and request Pell Grant funds. CW indicated that CTI was recruiting individuals who were not capable students and signing them up for Pell Grants. When the students dropped out of school, which often happened, CTI failed to refund the Pell Grant funds to DOE. CW advised that CTI used the Wonderlick Test as a

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46A-WF-179870 SUB UU

Continuation of FD-302 of COOPERATING WITNESS, On 4/21/94, Page 3

way of measuring an individual's aptitude to go to CTI, but often the test scores were manipulated. Additionally, CW informed that WHITESELL wanted to list former CTI students as "restarts." In this manner, it would appear that the former students had re-enrolled at CTI and allow CTI to collect financial aid monies for persons who were not actually going to school.

When the DOE auditors showed up at CTI during August, 1990, WHITESELL and [ ] had to do something to cover up the fraud through which CTI had illegally obtained Federal financial aid funds. [ ] instructed CW, [ ], and others that they needed to create false records to support the draws of financial aid monies made by CTI. This meant creating false attendance rosters, individual student files, general ledgers, and other records to reflect that particular students had attended classes at CTI and thereby justify the financial aid draws made in their names. b6 b7C

CW recalled that he/she did not go home following the above-stated meeting at CTI's corporate headquarters. He stayed and worked through the night on the CTI records which were to be provided to the DOE reviewers to substantiate the financial aid draws. CW stated that he/she "lived out of the (CTI) office" for a period of two to three weeks, going home only a couple of times during that period. WHITESELL generally stayed in his office while CW and the others worked on the records. However, whenever someone would try to leave and go home, WHITESELL would come out of his office and bribe the person to stay by giving them cash, usually in amounts of \$300 to \$400.

CW recalled that the DOE auditors showed up the next day at CTI's various locations. DOE gave CTI lists of specific student files they wanted to review. WHITESELL spent a lot of his time stalling the DOE reviewers with various excuses as to why the CTI records they wanted were not immediately available. CW indicated that DOE was not provided with the first batch of records until approximately four days after the records were initially requested. That gave CTI the opportunity to create false documents to support the draws of financial aid funds. CW commented that CTI provided records to DOE "in a trickle" during the entire audit period.

46A-WF-179870 SUB UU

Continuation of FD-302 of COOPERATING WITNESS, On 4/21/94, Page 4

CW stated that he/she personally did not have advance notice of the DOE audit prior to the meeting at CTI's corporate headquarters. CW did not think CTI knew about the impending audit before the day of the meeting. CW stated that he/she was not aware of CTI personnel changing records in preparation for such an audit prior to the time of the meeting. However, CW advised that WHITESELL had a lot of "feelers" out, and it was not hard for him to find out in advance about events such as audits. CW mentioned that it was possible that someone with DOE or another regulatory organization could have tipped off WHITESELL if he had paid them off.

CW stated that, at some point a few days after the DOE audit had started, he/she and [ ] went and talked to [ ]. They convinced him that the fraud perpetrated by CTI against the DOE was too massive to hide. Within a few days, [ ] told CW, [ ] and possibly [ ] that he had contacted law enforcement authorities within the DOE. [ ] said that the law enforcement officials told him to "keep running the game." In other words, [ ] should continue to falsify records to keep WHITESELL from suspecting anything but preserve the original records. [ ] said that the DOE would then raid CTI, seize all of the records, and arrest WHITESELL. CW thought [ ] met with the law enforcement officials in Dayton, Ohio.

CW advised that [ ] told him/her that he had asked WHITESELL how much money he had stolen from the DOE. WHITESELL did not give [ ] a specific figure but allegedly told him "a lot." CW stated that he/she felt that [ ] intended to cover up the DOE fraud perpetrated by CTI until he realized that the amount of money taken by fraud was so large. At that point, [ ] entered a "survival" mode. [ ] then did a 180 degree turn and went to the authorities in an attempt to implicate WHITESELL and exonerate himself. CW reiterated that [ ] would have liked to have hidden the fraud from the DOE had the amount of money taken illegally not been so massive.

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46A-WF-179870 SUB UU

Continuation of FD-302 of COOPERATING WITNESS, On 4/21/94, Page 5

CW stated that he/she was not aware of [redacted] actively participating in the scheme through which CTI was defrauding the DOE out of financial aid monies. However, CW believed that [redacted] knew what WHITESELL was doing and directly benefitted financially. CW believed [redacted] had this knowledge and reaped the benefits prior to everything coming to light as a result of the DOE audit. CW commented that [redacted] was a poor school-teacher before he began working with WHITESELL. At CTI, [redacted] was making a substantial amount of money. CW estimated that [redacted] might have been making \$15,000 to \$20,000 per week at some point. During one year, CTI grossed around \$9.5 million. [redacted] had a profit-sharing agreement with CTI, so he benefitted from profits generated by the school. CW stated that [redacted] had vowed that he would never be poor again.

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CW advised that WHITESELL was "skimming" money from CTI. WHITESELL had sole signature authority on CTI's bank accounts. [redacted] was not an authorized signer on CTI's checks. [redacted] had joint signature authority with WHITESELL on the bank accounts of BOHECKER'S BUSINESS COLLEGE (BBC). CW stated that WHITESELL had free reign to take money out of the CTI bank accounts anytime he wanted. CW informed that WHITESELL's Executive Secretary [redacted] may have assisted WHITESELL in "skimming" money from the CTI accounts. CW also mentioned that WHITESELL was taking money from BBC to keep CTI afloat. [redacted] had a 50 percent ownership interest in BBC, so he was not happy when he learned that WHITESELL was transferring funds from BBC to CTI nor was he happy about WHITESELL's "skimming" activities. CW commented that [redacted] was "not real fond of WHITESELL."

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CW stated that, on at least one occasion, he/she heard WHITESELL say that he had stolen Pell Grant money. WHITESELL had different buzz words such as "Cadillac" and "third floor" to describe the level of theft on a particular student's account.

46A-WF-179870 SUB UU

Continuation of FD-302 of COOPERATING WITNESS, On 4/21/94, Page 6

CW advised that, when the DOE began its review of CTI, [redacted] and WHITESELL had "brainstorming sessions" to attempt to figure out a way to deal with the DOE situation. During these sessions, [redacted] and WHITESELL discussed several individuals who might be able to help them. Names that were mentioned included U.S. Congressman DONALD "BUZ" LUKENS, [redacted] and a woman who CW believed was [redacted]. CW was able to overhear the conversations between [redacted] and WHITESELL, because, at some point, they stopped trying to be secretive about what they were doing. CW commented that [redacted] and WHITESELL were trying to get an "inside track" into DOE through one of their connections.

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CW stated that he overheard [redacted] talking to LUKENS on the telephone. The conversation between [redacted] and LUKENS took place around the time of the DOE audit, maybe a few days after the audit began. [redacted] made the call from his office at the CTI corporate headquarters. CW was in the office working on CTI records at the time. He/she recalled that [redacted] and WHITESELL had been meeting in WHITESELL's office. They stormed out of WHITESELL's office into [redacted] office. From there, [redacted] made the call to LUKENS. WHITESELL stood there and observed while [redacted] made the call. CW advised that [redacted] and/or [redacted] might have been in the vicinity when [redacted] placed the call to LUKENS. CW recalled [redacted] end of the conversation. [redacted] told LUKENS that he needed to "get these people off my back. Get them out of here." CW advised that [redacted] was referring to the DOE reviewers when he said "these people."

CW advised that [redacted] received a call back from LUKENS or someone in LUKENS' office. CW was around when [redacted] got the return call. When [redacted] got off the telephone, he told WHITESELL that there was not a lot that LUKENS could do about the DOE audit. However, LUKENS or his staffer apparently told [redacted] not to worry, because DOE would be gone in a few days. Someone, possibly LUKENS, had made a call to DOE on behalf of CTI. After [redacted] took the call from [redacted] LUKENS or LUKENS' aide, [redacted] and WHITESELL both made comments to the effect that "BUZ is on the tit." CW explained that, by saying LUKENS was "on the tit," [redacted] and WHITESELL meant that they were paying LUKENS. CW stated that he/she then left [redacted] office or was asked to leave.

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46A-WF-179870 SUB UU

Continuation of FD-302 of COOPERATING WITNESS, On 4/21/94, Page 7

CW stated that he/she had the impression [redacted] had known LUKENS for a long time and was at least a "solid acquaintance." When [redacted] called LUKENS on the telephone, he began the conversation by saying "Hello BUZ." [redacted] seemed to be "real friendly" with LUKENS. On one occasion, CW overheard [redacted] and WHITESELL talking about how LUKENS needed money for a farm for his mother.

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[redacted]

[redacted]

[redacted]

CW stated that he/she was not aware of [redacted] trying to get LUKENS to help CTI on other matters besides the DOE audit.

CW recalled that, soon after the DOE audit, WHITESELL was murdered. There were rumors to the effect that WHITESELL was involved in a drug deal to pay off his gambling debts and that the parties involved had him murdered. CW suspected that [redacted] may have had some involvement in WHITESELL's murder. [redacted] was very irate when he learned that WHITESELL had skimmed such a substantial amount of money away from CTI. [redacted] claimed that, at the time of the DOE audit, he [redacted] had not drawn a check from CTI in the past seven to eight months. CW recalled being in the CTI offices the night before WHITESELL was killed. [redacted]

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b7D

[redacted]

[redacted]

[redacted] WHITESELL was killed the next day.



46A-WF-179870 SUB UU

Continuation of FD-302 of COOPERATING WITNESS, On 4/21/94, Page 8

CW informed that [ ] was able to acquire WHITESELL's interest in BBC "for a song" after WHITESELL died. [ ] then had a 100 percent ownership interest in BBC. CW stated that there were rumors that [ ] brother, [ ] may have been involved in WHITESELL's murder.

As stated previously, [ ] apparently decided to contact law enforcement authorities within DOE and attempt to implicate WHITESELL when he [ ] realized that it would be impossible to cover up the massive fraud perpetrated against DOE. CW believed [ ] was partly motivated by his then 50 percent ownership interest in BBC and his desire to save BBC. CW felt that [ ] figured that, in order to protect BBC, he had to protect himself and make it appear that WHITESELL was solely responsible for the problems at CTI. Thus, he contacted the law enforcement authorities and attempted to place all of the blame on WHITESELL. CW advised that the DOE law enforcement branch never took any action and apparently did not even want records offered to them by [ ]

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b7C

[ ] became frustrated that the DOE law enforcement authorities would not do anything and seemed to consider him a suspect. At some time after WHITESELL's death, [ ] went on the CABLE NEWS NETWORK (CNN) and basically blamed all of CTI's problems on WHITESELL. CW was also interviewed for the CNN feature.

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After the CNN program, the DOE contacted [ ] about the CTI matter. [ ] CW, and possibly [ ] and [ ] went to Chicago, Illinois, to meet with the DOE. [ ] accompanied the group to provide legal representation. During their meeting with DOE, [ ] implicated WHITESELL as being responsible for defrauding the DOE. CW explained some of the financial records showing the flow of funds. While at the DOE offices in Chicago, CW thought he/she saw some of the DOE reviewers who had come to CTI's Middletown campus the night before DOE commenced the audit of CTI.

46A-WF-179870 SUB UU

Continuation of FD-302 of COOPERATING WITNESS, On 4/21/94, Page 9

CW advised that, during its period of operation, CTI was making payments to various "inside contacts" with regulatory agencies, accrediting bodies, and other similar organizations. Through his/her work with CTI's computers, CW had a good opportunity to see the payees who were receiving payments from CTI. CW recalled seeing a printout reflecting payments to Dr. [REDACTED]. CW remembered that the payments were in amounts of \$1,000 to \$2,000. [REDACTED] was mentioned by [REDACTED] and WHITESELL as a person who could possibly help CTI with its problems stemming from the DOE audit.

b6  
b7C

CW recalled seeing payments from CTI to Dr. [REDACTED] [REDACTED], who worked for an accrediting agency. He/she believed that around \$10,000 was paid to [REDACTED] for consulting work. CW stated that he/she saw numerous canceled checks payable to [REDACTED]. After WHITESELL was killed, [REDACTED] went after [REDACTED] to try to get back the money she had been paid by CTI. [REDACTED] threatened to bring a lawsuit if she did not repay the money. During the course of his efforts to recover the money paid to [REDACTED] [REDACTED] tape-recorded a conversation between himself and [REDACTED].

CW stated that [REDACTED] and WHITESELL probably had more "inside contacts" with accrediting and regulatory agencies besides the above-stated relationships with [REDACTED] and [REDACTED].

CW recalled that evidence concerning the activities at CTI was presented to a Grand Jury in Ohio. [REDACTED], a CTI official, was called to testify. The day before [REDACTED] was supposed to testify, [REDACTED] paid [REDACTED] \$400 or \$500. CW recalled seeing the check by which the payment was made.

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b7C  
b7D

[REDACTED]

the computer disks to [REDACTED] CW will provide the aforementioned records and disks to the FBI.

46A-WF-179870 SUB UU

Continuation of FD-302 of COOPERATING WITNESS, On 4/21/94, Page 10

CW was aware that [ ] had travelled to Washington, D.C., on business and pleasure trips. He/she did not know what hotels [ ] stayed in while in Washington. However, CW stated that [ ] would have stayed in first-class hotels. CW suggested that there might be itineraries for [ ] in CTI's records. CW mentioned that [ ] travelled to Las Vegas, Nevada, a lot.

b6  
b7C  
b7D

CW stated that he/she helped [ ] save BBC. When [ ] acquired full ownership of BBC, it was in serious financial trouble. WHITESELL had caused BBC to be saddled with several large debts. [ ]

[ ] \$40,000 from [ ] CW stated that [ ] never paid [ ] [ ] also gave CW approximately [ ] [ ] later gave CW about \$2,000. CW advised that [ ] also assisted [ ] [ ] [ ]

CW advised that [ ] is very concerned about BBC's default rate on its students' loans. [ ] wants to sell BBC before its default rate gets too high and jeopardizes his access to federal funds.

b6  
b7C  
b7D

CW stated that he/she has almost no contact with [ ] these days. [ ] by [ ] Therefore, CW must contact [ ]

[ ] CW stated that he/she generally only contacts [ ] However, CW advised that he had talked with [ ] about two weeks ago about a matter involving his employer. His/her employer was in danger of having its license revoked. CW called [ ] to get the name of an attorney to represent his/her employer. [ ] gave CW the name of [ ] who is [ ]'s wife's brother.

46A-WF-179870 SUB UU

Continuation of FD-302 of COOPERATING WITNESS, On 4/21/94, Page 11

[ ] CW advised that [ ] was an employee for CTI.  
[ ] apparently brought drugs to WHITESELL.

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At the conclusion of the interview, CW was served with  
a subpoena to appear to testify before the Federal Grand Jury in  
Washington, D.C. b7C

[ ]

FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☒ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

Date 7/9/94

FM FBI WMFO (46A-WF-179870 SUB UU) (P) (C-9)

TO FBI CINCINNATI/ROUTINE/

BT

UNCLAS

CITE: //3920//

SUBJECT: BIG BOUNCE; MAJOR CASE #55; OO: WMFO.

ARMED AND DANGEROUS.

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## ADMINISTRATIVE:

SUBJECT [REDACTED] IS KNOWN TO CARRY A .45 CALIBER  
HANDGUN AND IS CONSIDERED TO BE A PRIME SUSPECT IN THE  
UNSOLVED MURDER OF HIS PARTNER, HENRY WHITESELL. ACCORDINGLY,  
[REDACTED] SHOULD BE CONSIDERED ARMED AND DANGEROUS.

RE WMFO TELETYPES TO CINCINNATI ON 5/24/94 AND 6/1/94,  
AND WMFO AIRTELS TO CINCINNATI, DATED 6/7/94 AND 6/21/94.

FOR INFORMATION OF CINCINNATI, [REDACTED] RECENTLY  
TRAVELED TO WDC, PURSUANT TO A FEDERAL GRAND JURY (FGJ)

Approved: AGD/193

Original filename: \_\_\_\_\_

Time Received: \_\_\_\_\_

Telrep filename: Lat01250.193MRI/JULIAN DATE: 847/194ISN: 023FOX DATE & TIME OF ACCEPTANCE: 7/13/94 SLH 9:00 am

46A-WF-179870 Sub UU-198  
JB JB

^PAGE 2 WMFO (46A-WF-179870 SUB UU) UNCLAS

SUBPOENA. DURING INTERVIEWS WITH THE FBI, [ ] MENTIONED THAT HE POSSESSES A CASSETTE TAPE CONTAINING A TELEPHONE CONVERSATION BETWEEN HIMSELF AND [ ] HE ALSO HAS A MEMORANDUM, POSSIBLY ISSUED BY [ ] CONCERNING POLICIES FOLLOWED BY CAMBRIDGE TECHNICAL INSTITUTE (CTI) EMPLOYEES FOR GETTING SIGNATURES ON FINANCIAL AID CHECKS OF STUDENTS AT CTI. [ ] STATED THAT HE WOULD TURN THESE ITEMS OVER TO THE FBI. THE ITEMS ARE LOCATED AT [ ] HOME IN CINCINNATI, OH.

ADDITIONALLY, [ ] A FORMER CTI EMPLOYEE, RECENTLY CONTACTED WMFO AND ADVISED THAT HE HAS LOCATED SOME ADDITIONAL RECORDS RELATING TO CTI. [ ] ADVISED THAT HE WILL TURN THESE RECORDS OVER TO THE FBI.

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ANY QUESTIONS CONCERNING THE FOLLOWING LEADS CAN BE DIRECTED TO SA [ ], WMFO, TEL: [ ]

[ ] PAGER: [ ]

LEADS.

CINCINNATI AT CINCINNATI, OHIO.

1) WILL CONTACT J [ ] DOB: [ ] AT [ ]  
[ ] CINCINNATI, OH, TEL: [ ] AND

^PAGE 3 WMFO (46A-WF-179870 SUB UU) UNCLAS

ARRANGE TO PICK UP CASSETTE TAPE AND ANY OTHER DOCUMENTS AND  
RECORDS HE POSSESSES CONCERNING CTI. [ ] HAS AN EXTENSIVE  
CRIMINAL HISTORY, SO CAUTION SHOULD BE EXERCISED IN DEALING  
WITH [ ]

2) WILL CONTACT [ ] DOB: [ ] AT [ ]

[ ] CINCINNATI, OH,

TEL: [ ] AND ARRANGE TO PICK UP [ ] RECORDS

CONCERNING CTI. [ ] CAN ALSO BE REACHED AT HIS RESIDENCE

AT [ ] BLANCHESTER, OH, TEL: [ ]

[ ] HAS REQUESTED THAT ANY AGENT ATTEMPTING TO CONTACT HIM

AT WORK REFRAIN FROM IDENTIFYING HIMSELF OR HERSELF TO THE

RECEPTIONIST AS BEING WITH THE FBI.

ARMED AND DANGEROUS.

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## Memorandum



To : SAC ADIC, WMFO ([REDACTED]) (P) Date 6/30/94

From : SA [REDACTED]

Subject: [REDACTED]

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Dates of Contact 4/28/94		
File #s on which contacted (Use Titles if File #s not available) 46A-WF-179870, SUB UU		
Purpose and results of contact <input type="checkbox"/> NEGATIVE <input checked="" type="checkbox"/> POSITIVE (See attached FD-302) <input type="checkbox"/> STATISTIC		
Description of Statistical Accomplishment	Title of Case	File No.
Information herein obtained confidentially; informant's name is not to be disclosed in a report, or otherwise unless it has been decided definitely that this person is to be a witness in a trial or hearing.		
PERSONAL DATA		

46A-WF-179870-149

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 10 1994	
FBI - WASHINGTON FIELD OFFICE	

CWS/CWS

2-WMFO

(1

(1 - 46A-WF-179870, SUB UU))



- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/30/94

On 4/28/94, [redacted] provided Special Agent (SA) [redacted] with several items of evidence. Included in the evidence were the following:

1. Thirty-nine 5 1/4 inch I.B.M. compatible floppy disks in a disk box.
2. One white envelope containing CAMBRIDGE TECHNICAL INSTITUTE (CTI) ledger sheets and other papers.
3. One PROVIDENT BANK statement and checks pertaining to an account held by [redacted]
4. One CENTRAL TRUST CO. bank statement pertaining to an account held by [redacted]
5. Numerous yellow sticker post-it notes.
6. One partial Dayton "whack" list.
7. Computer printouts of checks drawn against a CTI bank account.
8. One newspaper article.
9. Letters and attachments relating to [redacted]

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Investigation on 4/28/94 at Washington, D.C. File # 46A-WF-179870, SUB UU

by SA [redacted] Date dictated 5/4/94

## Memorandum



To : ADIC WMFO [redacted] (P)

Date 7/7/94

From : SA [redacted] (C-9)

Subject : [redacted]

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## Dates of Contact

6/7/94

## File #s on which contacted (Use Titles if File #s not available)

46A-WF-179870, SUB UU

## Purpose and results of contact

- ☐ NEGATIVE  
☒ POSITIVE  
☐ STATISTIC

(See attached insert)

## Description of

Statistical Accomplishment

Title of Case

File No.

Information herein obtained confidentially; informant's name is not to be disclosed in a report or otherwise unless it has been definitely decided that this person is to be a witness in a trial or hearing.

## PERSONAL DATA

1

① 46A-WF-179870, SUB UU

1 -

Init. CWS/cws

(2) - WMFO

46A-WF-179870 UU-133  
 149K1

\*\*\*see reverse side for statistics\*\*\*

46A-WF-179870, SUB UU  
CWS/cws

On 6/7/94, [redacted] contacted SA [redacted]  
[redacted] and provided the following information:

Cooperating Witness (CW) stated that his/her boss had noticed a strange car "scoping out" the building where CW is employed. The automobile was described as a light gray Oldsmobile, approximately a 1985 model. The car had an Ohio license plate, either [redacted] or [redacted]. The driver of the car was a white male, heavysset, with bushy hair. CW's boss observed the car on the previous Friday or Monday.

CW commented that it would definitely be the style of [redacted] to have him/her surveilled. CW advised that [redacted] was part of [redacted] at CAMBRIDGE TECHNICAL INSTITUTE (CTI) along with [redacted] and [redacted]  
[redacted]  
[redacted]

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- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/22/94

[redacted] was interviewed at the U.S. DEPARTMENT OF JUSTICE (DOJ), Washington, D.C. Present during the interview were DOJ attorneys [redacted] and [redacted] advised that he was not represented by counsel and did not wish to have a lawyer present during the interview. After being apprised of the identity of the interviewing Agent and the nature of the interview, [redacted] provided the following information:

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[redacted] advised that he was born on [redacted] in Cincinnati, Ohio. His Social Security Account Number (SSAN) is [redacted] is a black male. [redacted] currently resides by himself at [redacted] Cincinnati, Ohio 45211, telephone number [redacted] is presently [redacted]

[redacted] informed that he was a student at CAMBRIDGE TECHNICAL INSTITUTE (CTI). Around 1988 or 1989, [redacted] saw an employment opportunity at CTI and applied for a job there. He was hired by [redacted] started off as a recruiter for CTI working for [redacted]. In that position, [redacted] passed out flyers about CTI to people in welfare lines, low income neighborhoods, and similar areas. [redacted] commented that he basically "did whatever it took" to get students to enroll at CTI. [redacted] stated that he often told prospective students that they would receive free bus passes and books and that they would be paid to go to school. [redacted] was directed to use these recruiting tactics by [redacted] also stated that HENRY WHITESELL, the owner of CTI, paid cash bonuses to CTI's recruiters based on the number of students they brought in. [redacted] could not recall ever filling out an application to become certified as an Agent so that he could legally work as a recruiter for CTI in the State of Ohio.

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Investigation on 7/7-8/94 at Washington, D.C. File # 46A-WF-179870 SUB UU

by SA [redacted] Date dictated 7/26/94

46A-WF-179870 SUB UU

Continuation of FD-302 of [REDACTED], On 7/7-8/94, Page 2

[REDACTED] advised that he also worked in the attendance office of CTI. In that capacity, he worked keeping track of the attendance of students at CTI. [REDACTED] stated that he vaguely recalled backdating the entry dates of some CTI students. [REDACTED] thought that [REDACTED] may have had some involvement with the changes of students' entry dates.

At some point, [REDACTED] began working with financial aid checks payable to students at CTI. [REDACTED] responsibility was to get signature endorsements on financial aid checks payable to students who had stopped attending classes at CTI. [REDACTED] worked for [REDACTED] was basically instructed to "get signatures (on the checks) any way he could." [REDACTED] was paid cash bonuses for each check he got signed. [REDACTED] recalled that the bonuses were in the range of \$25.00 to \$100.00 per check. The cash bonuses were paid by [REDACTED] also received cash payments from [REDACTED] the President of CTI. [REDACTED] recalled that some of the financial aid checks were for amounts of as much as \$2,000.

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[REDACTED] advised that, when he was given financial aid checks that needed signature endorsements, he would generally try to locate the payee students and attempt to get them to return to school or at least endorse the checks. Some of the individuals would sign the checks, but some would not. [REDACTED] was not able to find some of the payees. [REDACTED] stated that, when he could not locate the payee students or could not persuade the payees to endorse the checks, he would get someone else to forge the endorsements of the payees on the checks. [REDACTED] estimated that, of the financial aid checks he handled, approximately 50% were not endorsed by the actual payee on the check. [REDACTED] recalled a memorandum, which he thought was written by [REDACTED] which stated that the financial aid checks needed to be endorsed, and that CTI personnel should get endorsements on the checks by whatever means necessary. [REDACTED] indicated that he may still have a copy of the memo. [REDACTED] stated that he realized that something was not right about the way CTI was handling the student financial aid checks. However, he did not say anything to [REDACTED] (LNU) about his concerns. [REDACTED] thought that [REDACTED] knew what was going on with the financial aid checks.

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[REDACTED] stated that, at one point, a financial aid check for around \$2,000 turned up missing. [REDACTED] was blamed for the

46A-WF-179870 SUB UU

Continuation of FD-302 of [REDACTED], On 7/7-8/94, Page 3

loss of the check. He was fired by [REDACTED] from his position at CTI.

After he was terminated by CTI, [REDACTED] went to the Legal Aid Society (LAS) in Cincinnati, Ohio. He made several allegations against CTI to a Ms. (FNU) [REDACTED] of the LAS. [REDACTED] told [REDACTED] about improprieties at CTI, including CTI's questionable recruiting practices and CTI's negotiation of financial aid checks for students who were not in school. [REDACTED] advised [REDACTED] that, as a recruiter at CTI, he told prospective students that they would receive free bus passes, books, and would be paid to go to school. [REDACTED] stated that he gave a truthful statement to [REDACTED]. He also stated that [REDACTED] did not make any promises to him to persuade him to make allegations against CTI.

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[REDACTED] advised that, after he had gone to the LAS, WHITESELL and [REDACTED] "got wind of it." WHITESELL put the word out on the street for [REDACTED] to call him. [REDACTED] contacted WHITESELL and they arranged a meeting. The meeting took place at the corporate office of CTI. WHITESELL, [REDACTED] and [REDACTED] were at the meeting. [REDACTED] stated that WHITESELL did most of the talking at the meeting. However, WHITESELL asked [REDACTED] if he agreed with practically everything he said. WHITESELL and [REDACTED] told [REDACTED] that, if he changed his testimony about the things that happened at CTI, they would take care of him. They basically advised [REDACTED] not to remember the accusations he had made against CTI. [REDACTED] stated that WHITESELL and [REDACTED] "bought back his loyalty." In return for [REDACTED] being uncooperative with the LAS, WHITESELL and [REDACTED] gave him a Trans Am automobile. They also gave him a job with CTI. [REDACTED] stated that WHITESELL and [REDACTED] considered it very important to get him out of Cincinnati. [REDACTED] believed they wanted him away from the LAS. WHITESELL and [REDACTED] initially gave him \$500.00 to go to a hotel in Middletown, Ohio. [REDACTED] then arranged a nice rent-free apartment for [REDACTED] to live in, in Middletown. [REDACTED] later received a \$2,000 "Christmas bonus."

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Pursuant to his arrangement with WHITESELL and [REDACTED] would receive approximately \$1,200 per month in salary from CTI for doing little or nothing. [REDACTED] made the salary payments to [REDACTED]. [REDACTED] would also make periodic cash payments to [REDACTED] to cover his apartment rent.

46A-WF-179870 SUB UU

Continuation of FD-302 of [REDACTED], On 7/7-8/94, Page 4

[REDACTED] advised that the engine in his Trans AM blew out. He was later provided with a Hyundai automobile. [REDACTED] stated that he did not provide any of the financial resources used to obtain the automobiles.

[REDACTED] advised that the LAS brought him in for a deposition. He thought the deposition took place around August 1989, but he was not certain of the time period. During the deposition, [REDACTED] claimed that he could not remember the allegations he had previously made against CTI. [REDACTED] stated that he claimed to have a lapse of memory because of the above-stated compensation he had received from WHITESELL and

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[REDACTED] was questioned about a document entitled [REDACTED] Statement." One copy of this document is attached for incorporation herein. [REDACTED] thought the statement was prepared while he was in Middletown living in the apartment financed by WHITESELL and [REDACTED]. [REDACTED] said that the statement was not true. [REDACTED] advised that he was not coerced by [REDACTED] to sign a document containing allegations against CTI for the LAS. [REDACTED] reiterated that, as a CTI recruiter, he made representations to prospective students about free bus passes, books, and payments for going to school, and that he had shared this information with [REDACTED]. [REDACTED] repeated that he had received money, an automobile, and an apartment in return for changing his story to the LAS. [REDACTED] further stated that he had not received \$3,000 from his family to buy his car. He advised that WHITESELL and [REDACTED] bought the car for him. [REDACTED] stated that he did not write the [REDACTED] Statement." He thought he was given the statement by [REDACTED] in Middletown.

[REDACTED] was asked about [REDACTED] recalled that [REDACTED] was beaten up by [REDACTED] and a man named [REDACTED] (LNU). [REDACTED] and [REDACTED] told [REDACTED] they had beaten up [REDACTED]. They also told [REDACTED] that [REDACTED] had ordered them to do it. [REDACTED] suspected that WHITESELL may have told [REDACTED] what to do. [REDACTED] remembered a meeting between WHITESELL, [REDACTED] and [REDACTED]. After the meeting, [REDACTED] came out of the office and paid money to [REDACTED] and [REDACTED]. [REDACTED] advised that [REDACTED] paid them for beating up [REDACTED] and for legal representation in the criminal case filed against them as a result of the [REDACTED] beating. [REDACTED] gave the money to [REDACTED] and [REDACTED] and told them what time to be at a lawyer's office. WHITESELL and/or

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46A-WF-179870 SUB UU

Continuation of FD-302 of [REDACTED], On 7/7-8/94, Page 5

[REDACTED] apparently lined up the attorney for [REDACTED] and

[REDACTED] remembered auditors from Columbus, Ohio, coming to CTI. [REDACTED] was working at CTI's location in Dayton, Ohio, at the time. [REDACTED] and his wife and son were also in Dayton. [REDACTED] had died by that time. [REDACTED] recalled that CTI personnel worked feverishly changing records, adding and deleting information. He remembered them making up new attendance cards and other records. b6 b7C

[REDACTED] thought they were trying to make everything look right for the auditors by attempting to make the financial aid monies received coincide with dates of attendance for CTI students.

[REDACTED] advised that [REDACTED] or his son, [REDACTED], appeared to be in charge of the record changing project in Dayton. [REDACTED] stated that he moved records from Dayton to [REDACTED] residence.

[REDACTED] moved the records at the direction of [REDACTED] suspected that [REDACTED] was trying to hide these records from the auditors.

[REDACTED] recalled that, around the period of the above-stated audit, he recorded a telephone conversation he had with [REDACTED]. During the call, [REDACTED] mentioned that he wanted [REDACTED] to move files for him. [REDACTED] informed that he saved the cassette tape of the conversation he had with [REDACTED]. He agreed to turn over the tape to the Federal Bureau of Investigation (FBI).

[REDACTED] advised that, prior to the tape recording he made of the telephone conversation between himself and [REDACTED] he had recorded a conversation with [REDACTED] was directed by [REDACTED] to record the conversation with [REDACTED]. [REDACTED] thought [REDACTED] was trying to betray CTI and was possibly going to go to the LAS. [REDACTED] ultimately received a Hyundai automobile from CTI. [REDACTED] informed that he used the equipment [REDACTED] provided him to record the conversation with [REDACTED] to record the telephone call between [REDACTED] and himself. b6 b7C

[REDACTED] recalled being interviewed by the FBI around January 16, 1991 about the situation at CTI. During the interview, [REDACTED] discussed various improprieties at CTI. [REDACTED] advised that he gave a truthful statement to the FBI.



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Continuation of FD-302 of [REDACTED], On 7/7-8/94, Page 6

[REDACTED] was shown an "affidavit" signed by him on January 16, 1991. One copy of this document is attached for incorporation herein. [REDACTED] advised that he called [REDACTED] after he was interviewed by the FBI. [REDACTED] and [REDACTED] talked about [REDACTED] interview with the FBI. [REDACTED] told [REDACTED] he did not want him speaking with the FBI. At some point, [REDACTED] told [REDACTED] he had something for him to sign. [REDACTED] also said something to the effect of, "I'll have something for you." Later on the same day that he talked with [REDACTED] on the telephone, [REDACTED] met [REDACTED]. He thought they met at the TRI-COUNTY SHOPPING MALL in Cincinnati. [REDACTED] had the aforementioned "affidavit" with him for [REDACTED] to sign. [REDACTED] also had \$1,500 of cash for [REDACTED] gave the \$1,500 to [REDACTED]. Then [REDACTED] signed the affidavit. They got [REDACTED] signature notarized at a funeral home around the corner. [REDACTED] stated that he understood that the \$1,500 cash was provided to him in return for him signing the document.

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[REDACTED] stated that he did not write or type the "affidavit" that he signed on January 16, 1991. [REDACTED] apparently wrote the document. [REDACTED] stated that he never met [REDACTED] nor did he make the statements in the affidavit to [REDACTED]. [REDACTED] advised that much of the information contained in the affidavit was not true. [REDACTED] stated that the FBI did not encourage him to fabricate statements to implicate [REDACTED] in the commission of a crime. [REDACTED] reiterated that the information he provided to the FBI during his interview was true, including his statements concerning forged endorsements on federal financial aid checks. [REDACTED] stated that he signed the affidavit containing the false information because he was paid \$1,500 to do so. He commented that [REDACTED] apparently felt it was necessary to protect himself by having [REDACTED] sign the affidavit. [REDACTED] advised that the above-stated \$1,500 cash payment was the last payment he received from [REDACTED].

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[REDACTED] advised that he does not see or talk with [REDACTED] anymore. [REDACTED] did not tell [REDACTED] that he was coming to Washington, D.C., pursuant to a Grand Jury subpoena. [REDACTED] stated that the last time he saw [REDACTED] was at a baseball game.

[REDACTED] stated that he had heard of former U.S. Congressman DONALD "BUZ" LUKENS and knew of LUKENS' problems involving sexual relationships with young girls. He was not

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Continuation of FD-302 of [REDACTED], On 7/7-8/94, Page 7

[REDACTED] aware of a relationship between [REDACTED] and LUKENS. [REDACTED] informed that [REDACTED] knew a State Assemblyman named [REDACTED]

[REDACTED] stated that he did not deliver cash for WHITESELL or [REDACTED]. He informed that [REDACTED] delivered money for WHITESELL. [REDACTED] advised that [REDACTED] could provide information about the situation with the CTI records during the above-stated audit. [REDACTED] advised that [REDACTED] received a BMW automobile.

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[REDACTED] informed that other CTI employees received automobiles from CTI. [REDACTED] got a Hyundai. [REDACTED] received a Mercedes Benz.

[REDACTED] stated that he did not know who killed WHITESELL. He speculated that possibly [REDACTED] had some involvements in the murder.

[REDACTED] stated that [REDACTED] brother, [REDACTED] was "supposed to be a tough guy."

[REDACTED] advised that he is currently on probation for a felony theft conviction that occurred in Cincinnati, Ohio. His crime involved the theft of clothes out of a store. The case was decided about three years ago. [REDACTED] received a one year suspended sentence and five years probation. His probation should be completed next month, because the judge intends to let him off early. [REDACTED] presently reports to a probation officer in Cincinnati. His probation officer is (FNU) [REDACTED] informed that he has other theft convictions on his record and one drug conviction. [REDACTED] advised that there are no pending criminal charges against him at the present time.

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[REDACTED] informed that he was previously a witness before the Federal Grand Jury in Cincinnati. He testified on a drug case. [REDACTED] recalled that a couple of people were indicted, and at least one was convicted and is serving time in prison.

## RETURN OF SERVICE (1)

RECEIVED BY SERVER	DATE June 24, 1994	PLACE Cincinnati, Ohio
SERVED	DATE June 28, 1994	PL [Redacted]
SERVED ON (PRINT NAME) [Redacted]		
SERVED BY (PRINT NAME) [Redacted]		TITLE Special Agent, FBI

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## STATEMENT OF SERVICE FEES

TRAVEL	SERVICES	TOTAL N/A
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## DECLARATION OF SERVER(2)

I declare under penalty of perjury under the laws of the United States of America that the foregoing information contained in the Return of Service and Statement of Service Fees is true and correct.

Executed on June 28, 1994  
Date

Signature of Server

550 Main St., Room 9023  
Cincinnati, Ohio 45202

Address of Server

## ADDITIONAL INFORMATION

- (1) As to who may serve a subpoena and the manner of its service see Rule 17(d), Federal Rules of Criminal Procedure, or Rule 45(c), Federal Rules of Civil Procedure.
- (2) "Fees and mileage need not be tendered to the witness upon service of a subpoena issued on behalf of the United States or an officer or agency thereof (Rule 45(c), Federal Rules of Civil Procedure; Rule 17(d), Federal Rules of Criminal Procedure) or on behalf of certain indigent parties and criminal defendants who are unable to pay such costs (28 USC 1825, Rule 17(b) Federal Rules of Criminal Procedure)".

C 9

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 7/7/94

TO : ADIC, WMFO

FROM : SAC, CINCINNATI (46A-WF-179870, SUB UU) ~~(RUC)~~ - P-

SUBJECT : BIG BOUNCE;  
 MAJOR CASE #55;  
 OO: WMFO

ARMED AND DANGEROUS - SUBJECT CARRIES A HANDGUN

Re WMFO airtel to Cincinnati dated 6/21/94 and  
 telcalls between SA [redacted], WMFO, and  
 SA [redacted] Cincinnati, on 6/29/94.

Enclosed for WMFO under separate cover are the  
 following:

1. One copy of all miscellaneous documents  
 discovered in a briefcase and box located in HENRY WHITESELL's  
 automobile at the time of his murder. These copies were made  
 from the original documents provided by Detective [redacted]  
 Cincinnati Police Division. The original documents have been  
 returned to Detective [redacted]

2. Original subpoena served on [redacted] on  
 6/28/94.

3. Original and two copies of FD-302 reflecting  
 service of subpoena on [redacted]

4. Original subpoena directed to [redacted]  
 This subpoena was not served on [redacted].

3-WMFO

(1 package copy)

1-Cincinnati

CD:cd

(4)

## GENERAL INDICES:

☐ Automated Search

WF: ☐ Pos ☐ Neg AX: ☐ Pos ☐ Neg

☐ Manual Search

Approved: [signature] Transmitted (Number) (Time)

46A-WF-179870-UU

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 08 1994	
FBI - WASHINGTON	

-149  
x6

46A-WF-179870, SUB UU

ADMINISTRATIVE:

Subject [ ] is known to carry a .45 caliber handgun and is considered to be a prime suspect in the unsolved murder of his partner, HENRY WHITESELL. Accordingly, [ ] should be considered ARMED AND DANGEROUS.

For information of WMFO, on 6/29/94, [ ] Ludlow, Kentucky, 41016. telephone [ ] advised that her spouse [ ] date of birth [ ] SSAN [ ] is currently incarcerated at the Chillicothe Correctional Institute (CCI), Chillicothe, Ohio.

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On 6/29/94, a records clerk at CCI confirmed that [ ] DOB [ ] Inmate [ ] is currently incarcerated at CCI and is not due to be released until 5/8/95.

In re telcall, SA [ ] advised SA [ ] that it is not necessary to serve subpoena on [ ]

ARMED AND DANGEROUS - SUBJECT CARRIES A HANDGUN

## Memorandum



To : SAC ADIC, WMFO [REDACTED] (P) Date 7/19/94

From : SA [REDACTED]

Subject: [REDACTED]

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b7C  
b7D

## Dates of Contact

4/28-29/94

## File #s on which contacted (Use Titles if File #s not available)

46A-WF-179870, SUB UU

## Purpose and results of contact

☐ NEGATIVE☒ POSITIVE☐ STATISTIC

(See Attached FD-302)

## Description of

Statistical Accomplishment

Title of Case

File No.

Information herein obtained confidentially; informant's name is not to be disclosed in a report or otherwise unless it has been decided definitely that this person is to be a witness in a trial or hearing.

## PERSONAL DATA

SEARCHED	INDEXED
SERIALIZED	FILED
JUL 20 1994	
FBI - WMFO	

46A-WF-179870-150

②-WMFO  
CWS:vlis

46A-WF-179870, SUB UU

**STATISTICAL ACCOMPLISHMENTS**  
Criminal Informant/Cooperative Witness (CI/CW)

1. Number of Subjects Arrested:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
2. Number of Subjects/Victims Identified and/or Located:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
3. Number of Investigative Matters Initiated:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
4. Number of Disseminations Based Upon CI/CW Information: \_\_\_\_\_
5. Number of Violent Acts Prevented: \_\_\_\_\_
6. Number of Times CI/CW Information Used in Title III Affidavits:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
7. Number of Times CI/CW Information Used in Search Warrant Affidavits:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
8. Number of Times CI/CW Information Used in Obtaining Complaint/Information/Indictment:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
9. Merchandise Recovered (Value):
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
10. Asset/Property Seized (Value at Time of Seizure):
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
11. Monetary Value of Asset/Property Actually Forfeited to Government: \$ \_\_\_\_\_
12. Number of Convictions Obtained as a Result of Information Furnished by CI/CW or as a Result of other Significant Operational Assistance Furnished:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
13. Number of Times Undercover Agent or Other Law Enforcement Officer Introduced into an Investigative Matter by CI/CW:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
14. Drugs Recovered (Wholesale Value):
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
15. Number of Consensually Monitored Conversations CI/CW participated in:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/18/94

[redacted] was interviewed at the United States DEPARTMENT OF JUSTICE (DOJ), Washington, D.C. Also present during the interview were DOJ Attorneys [redacted] and [redacted]. After being advised of the identity of the interviewing agent and the nature of the interview, the Cooperating Witness (CW) provided the following information:

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CW advised that he/she had been a student at Cambridge Technical Institute (CTI) in Middletown, Ohio. After he/she finished as a student at CTI, [redacted] (phonetic). [redacted] currently lives in Trenton, Ohio, and writes a racing column for the Middletown, Ohio, newspaper.

CW worked primarily out of CTI's office in Cincinnati, Ohio, but was often "loaned out" to other CTI locations in Ohio, including Dayton and Cleveland. [redacted]

CTI. About a year after his/her hiring, CW met HENRY WHITESELL, the owner of CTI, and [redacted] the President of CTI, in conjunction with setting up the UES system.

CW advised that CTI experienced numerous problems of various sorts during his/her tenure with the organization. CW recalled a lawsuit filed by a man named [redacted] against CTI's Cleveland, Ohio, campus. The suit was brought by the Ohio Attorney General's Office, possibly around May, 1988. During the time the [redacted] case was going on, WHITESELL and [redacted] hired a person to conduct surveillance to see who [redacted] was associating with and to determine whether [redacted] was talking to other CTI students.

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CW recalled that the Legal Aid Society (LAS) filed a lawsuit against CTI around August, 1989. He/she remembered that

Investigation on 4/28-29/94 at Washington, D.C. File # WMFO 46A-WF-179870,  
SUB UU

by SA [redacted]:vls Date dictated 5/4/94



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Continuation of FD-302 of [REDACTED]

, On 4/28-29/94, Page 2

the suit was filed on behalf of [REDACTED] and another individual. [REDACTED] had CW pull the student files on the three individuals and take them to the CTI corporate office. CW informed that the lead attorney for the LAS was [REDACTED]. CW stated that [REDACTED] was very mad about the LAS lawsuit and referred to the suit as "bullshit". [REDACTED] referred to [REDACTED] as a "bitch". CW advised that [REDACTED] got a court order to put a notice of a public hearing on a bulletin board at CTI. That angered [REDACTED] even more. During the time period of the LAS lawsuit, [REDACTED], and CW [REDACTED] commented that [REDACTED] a former instructor at CTI, may have had some involvement in the lawsuit.

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CW identified [REDACTED] as a student in CTI's nursing aid program. [REDACTED] began causing trouble for CTI by threatening to file lawsuits against the school and instigating students against CTI. CW stated that [REDACTED] was possibly recruiting CTI students to help [REDACTED] with the LAS suit. CW heard that [REDACTED] had been beaten up by [REDACTED] and [REDACTED] two CTI employees. The beating took place around the same time the LAS lawsuit was going on. CW said it was common knowledge that if someone needed to be intimidated or beaten up, [REDACTED] and [REDACTED] were the individuals who would handle it.

CW recalled that [REDACTED] was an admissions representative for CTI. [REDACTED] apparently went to the Channel 9 television station and made allegations that WHITESELL instructed him to lie to the Board of Education in Lebanon, Ohio. The Board of Education in Lebanon was looking into questions about CTI's licensing, accreditation, instructor certification, and other related issues. [REDACTED] was beaten up by [REDACTED] and [REDACTED]

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CW advised that CTI made a practice of recruiting individuals who were not capable students and signing them up for financial aid monies. The individuals often dropped out of school within a short period of time. CTI was obligated to repay the financial aid funds for students who had dropped out. However, CTI often failed to make appropriate refunds. CW stated that CTI's failure to pay back financial aid monies was of great concern to [REDACTED], the Financial Aid Director for CTI. [REDACTED] would calculate and prepare refund checks, but WHITESELL would not sign them. As a result, [REDACTED] was very "high-stressed". [REDACTED] ultimately quit her job at CTI. CW

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Continuation of FD-302 of [REDACTED], On 4/28-29/94, Page 3

described [REDACTED] as a "straight-shooter". [REDACTED] lives in Trenton, Ohio. CW stated that if [REDACTED] had quit because she felt that WHITESELL was improperly taking money, she would have definitely told [REDACTED] (of WHITESELL's improper activities). CW also stated that [REDACTED] was definitely aware of CTI's practice of recruiting people from welfare lines, soup kitchens, and similar areas to be students at CTI and CTI's procurement of financial aid funds for such students.

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CW recalled that CTI was audited by the United States Department of Education (DOE) during August, 1990. CW was working at CTI's Middletown, Ohio, campus. CW remembered some people stopping by the Middletown, Ohio, location and looking around a day or so before the audit. CW followed the people out and asked if he/she could help them. They responded negatively and left. CW suspected the people were from the Department of Welfare and were there to inspect CTI's child care facility. He/she later learned that the people were auditors from the DOE.

The same night that he observed the DOE auditors at CTI's Middletown, Ohio, campus or the following evening, CW received telephone calls from WHITESELL and [REDACTED]. WHITESELL told CW to be at the corporate headquarters of CTI for a meeting at 9:00 p.m. [REDACTED] in his call, told CW that there were problems and that it was urgent that he/she be at the meeting at CTI's corporate office. CW believed he/she reported to [REDACTED] the presence of the suspicious people at CTI's Middletown, Ohio, campus. CW said it would have been his/her inclination to report such information to [REDACTED]. CW recalled that the night the DOE auditors discretely came to look at the Middletown, Ohio, campus of CTI, [REDACTED] was either out of town or on his way back into town. CW commented that he/she was not permitted to contact [REDACTED] at his home.

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CW advised that he/she went to the meeting at CTI's corporate headquarters at Garfield Place, Cincinnati, Ohio. CW got there at about 9:00 p.m. and observed [REDACTED] car in the parking lot. When CW arrived, he/she went to [REDACTED] office. Also there were [REDACTED] and possibly [REDACTED]. WHITESELL and [REDACTED] were meeting in WHITESELL's office. CW could hear them talking in there. WHITESELL and [REDACTED] talked in WHITESELL's office for an hour to an hour and one-half. At around 10:30 p.m., [REDACTED] came out of WHITESELL's office. WHITESELL stayed in his office. [REDACTED] told CW and the

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Continuation of FD-302 of [REDACTED], On 4/28-29/94, Page 4

others that the DOE was there to audit CTI. DOE would be at CTI's Cincinnati, Ohio, campus the following day. [REDACTED] told them that WHITESELL had stolen financial aid monies.

[REDACTED] said something to the effect of, "We've got problems. HENRY's been stealing Pell money." [REDACTED] had lists of CTI files that needed to be pulled and brought to the corporate office. The documents needed included student financial aid files, education files, general ledgers, and other similar records. [REDACTED] directed that the records be brought to CTI's corporate headquarters. The files were at the Cincinnati, Ohio, campus of CTI. [REDACTED]

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[REDACTED] WHITESELL, [REDACTED] and [REDACTED] were there when CW returned. They put the files in WHITESELL's office. CW did not think they worked on the files until the following day. CW believed he/she went home that night. [REDACTED]

The following day, CW arrived at CTI's corporate office between 8:00 a.m. and 9:00 a.m. CW recalled that [REDACTED] WHITESELL, [REDACTED] and [REDACTED] were there. [REDACTED] told the group something to the effect of, "We've got to fix these files." They went to work on HENRY WHITESELL's big table redoing the files. [REDACTED]

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CW advised that there were a number of people who were considered to be in the "inner circle" at CTI. At the time of the DOE audit, the "inner circle" included WHITESELL, [REDACTED] and [REDACTED]. During periods prior to the August, 1990, DOE audit, RALPH TURNER and [REDACTED] had been in the "inner circle". TURNER is dead. [REDACTED] who balanced CTI's checkbook and had the authority to sign checks,

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Continuation of FD-302 of [REDACTED], On 4/28-29/94, Page 5

left CTI before the DOE audit. Over the course of their work changing and creating records for the DOE audit, the participants evolved into two groups. The first group consisted of

[REDACTED] and [REDACTED]. The second group included HENRY WHITESELL, [REDACTED] and [REDACTED]. At some point,

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[REDACTED] named the two groups "Camp A" and "Camp B". [REDACTED]'s group developed a loyalty to him while HENRY WHITESELL's group was loyal to him. CW advised that [REDACTED] showed up a couple of times while the DOE audit was going on. CW was unsure whether [REDACTED] participated in CTI's efforts to create false records for DOE. CW informed that the DOE auditors stayed at CTI's Cincinnati, Ohio, campus while the CTI personnel worked on the records at the corporate headquarters at Garfield Place in Cincinnati, Ohio.

CW informed that WHITESELL or [REDACTED] had kept track of the students that CTI had "whacked", or accepted financial aid monies for periods of time the students were not actually attending school. Much of the work done regarding CTI's records involved creating false attendance cards, master attendance rosters, schedules, and other related documents to indicate that particular students had attended CTI for time periods during which they were not in school. These false records were ultimately provided to the DOE.

CW advised that some time shortly after the DOE audit began, [REDACTED] sought help from United States Congressman DONALD "Buz" LUKENS in dealing with the DOE. CW remembered overhearing a telephone call that [REDACTED] made to LUKENS from his office at CTI's corporate headquarters. WHITESELL was also present when [REDACTED] made the call. [REDACTED] told LUKENS that the DOE was at CTI performing an audit. [REDACTED] wanted to know why the DOE was at CTI and what they wanted. [REDACTED] told LUKENS something to the effect of, "Get the sons of bitches off my back." CW said that the conversation between [REDACTED] and LUKENS only lasted for a short period of time. CW advised that [REDACTED] addressed LUKENS as "Buz".

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CW informed that LUKENS or someone from LUKENS' office called back for [REDACTED]. The caller apparently told [REDACTED] that there was not much that LUKENS or his congressional office could do to help. The caller told [REDACTED] not to worry and indicated that the DOE would be gone within a few days. CW thought the callback from LUKENS or

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Continuation of FD-302 of [REDACTED]

, On 4/28-29/94, Page 6

LUKENS' staffer occurred shortly after [REDACTED] made the initial call to LUKENS.

When [REDACTED] got off the telephone after taking the callback from LUKENS or his staffer, [REDACTED] had a sense of resignation and anger. CW described [REDACTED] as "in a lather". [REDACTED] made a comment to the effect of, "Buz is on the corporate tit" or "I've kept that son of a bitch on the corporate tit." The implication was that LUKENS had been paid by [REDACTED] and/or WHITESELL, and that LUKENS was not doing enough to get rid of the DOE. CW explained that [REDACTED] has the mentality that if he has gotten "in your pocket", he expects you to produce. [REDACTED] comments indicated that LUKENS was "on the payroll", but that he had failed [REDACTED] by not being able to handle the DOE. CW suggested that [REDACTED] and possibly [REDACTED] might have been in the vicinity and heard [REDACTED] and WHITESELL talking about LUKENS being on the "corporate tit".

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CW recalled seeing canceled checks by which payments were made from [REDACTED] and/or WHITESELL to LUKENS. CW thought he/she saw three or four checks payable to LUKENS. CW advised that the checks written to LUKENS were not listed in CTI's computer records of disbursements. In fact, the computer records showed only blank spaces with no descriptive information about the checks. CW found the payments to LUKENS by physically locating the actual canceled checks.

[REDACTED]  
[REDACTED]  
[REDACTED]

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CW advised that during the spring of 1990, he/she and other CTI employees were "politely encouraged" by [REDACTED] to donate money to LUKENS' congressional re-election campaign. [REDACTED] said that he was trying to help a "friend", meaning LUKENS. CW recalled that he/she gave \$10 of cash to LUKENS' cause. He/she believed most of the CTI office staff and possibly [REDACTED] and [REDACTED] gave to LUKENS' campaign. CW commented that LUKENS' image had been tarnished by his involvement in a sexual offense, and it was obvious LUKENS was going to lose the election.

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Continuation of FD-302 of [REDACTED], On 4/28-29/94, Page 7

CW recalled [REDACTED] talking about LUKENS. He/she remembered [REDACTED] saying something about LUKENS' family farm and his mother.

CW remembered hearing that LUKENS may have helped CTI when its Cleveland, Ohio, campus got into some type of trouble. The problems were possibly related to the [REDACTED] lawsuit. CW recalled that [REDACTED] was the person who told him/her about LUKENS' possible assistance to CTI's Cleveland, Ohio, school. [REDACTED] currently resides at the [REDACTED]

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[REDACTED] Middletown, Ohio, [REDACTED]

CW advised that [REDACTED] gave [REDACTED]

[REDACTED] somewhere around the time frame of the DOE audit. CW thought that [REDACTED] had gotten other Swiss Army Watches from LUKENS and given them to other persons.

[REDACTED] CW talked with [REDACTED] about his concerns. CW and [REDACTED] approached [REDACTED] and voiced their concerns to him. [REDACTED] might also have been present when he spoke with [REDACTED]. They basically told [REDACTED] that it would be

[REDACTED]

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law enforcement authorities about the situation at CTI.

A few days after CW and [REDACTED] confronted [REDACTED] [REDACTED] told them that he had contacted law enforcement authorities about the fraud perpetrated at CTI. CW thought [REDACTED] met with law enforcement officials, possibly the

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Continuation of FD-302 of [REDACTED], On 4/28-29/94, Page 8

FEDERAL BUREAU OF INVESTIGATION (FBI), in Dayton, Ohio.

[REDACTED] had CW prepare some materials documenting the fraud to show the people he was meeting with. CW believed

[REDACTED] alleged contact with law enforcement authorities took place about a week to 10 days after the start of the DOE audit at CTI. CW recalled that [REDACTED] did not contact law enforcement officials until after he had called LUKENS to get LUKENS to intercede on CTI's behalf with the DOE.

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After his supposed meeting with law enforcement authorities, [REDACTED] reported to [REDACTED] and [REDACTED] [REDACTED] said that the law enforcement officials told him to have their group continue to falsify records to fool WHITESELL. They should maintain the original records. [REDACTED] stated that at some point in the near future, the law enforcement authorities would raid CTI, seize all of the records, and arrest WHITESELL. [REDACTED] also indicated that the law enforcement officials would get the DOE auditors to lower the level of pressure they were putting on CTI.

[REDACTED]	[REDACTED]
	[REDACTED]

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CW advised that the law enforcement authorities did not take any significant action against WHITESELL or CTI as [REDACTED] had said they would. During October, 1990, WHITESELL was murdered.

Following WHITESELL's death, [REDACTED] went on a Cable News Network (CNN) report to be interviewed about the fraud at CTI. [REDACTED] implicated WHITESELL as the individual responsible for the problems at CTI.

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Continuation of FD-302 of [REDACTED], On 4/28-29/94, Page 9

Around 30 days after the CNN broadcast, [REDACTED] attorney, [REDACTED] set up a meeting with DOE in Chicago, Illinois. [REDACTED] and CW attended the meeting.

[REDACTED] went along to Chicago, but did not attend the meeting. CW thought DOE officials probably saw the CNN broadcast, and that prompted the meeting. While in Chicago, [REDACTED] DOE officials. [REDACTED] and [REDACTED] had left, so CW was interviewed by himself/herself. The DOE interviewers started asking CW questions about [REDACTED] implying that [REDACTED] was involved in the fraud. CW recalled that there were four DOE officials that they met with in Chicago, one male and three females. He/she recognized a couple of the DOE personnel as having been at the CTI campus in Middletown, Ohio, just prior to the DOE audit in August, 1990. CW stated that he/she was not interviewed by DOE during the August, 1990, audit of CTI.

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CW advised that [REDACTED] maintained possession of a large number of CTI records. [REDACTED] move the records to a Store-N-Lock facility in Chicago, Illinois. [REDACTED] to rent the storage space with a Boecker's Business College (BBC) check.

Sometime after WHITESELL's murder, CW heard that FBI Special Agent (SA) [REDACTED] had come to Middletown, Ohio, looking for [REDACTED] told CW that he/she did not have to talk to the FBI. CW stated that [REDACTED] gave him/her the definite impression that he did not want him/her (CW) to meet with the FBI. CW did not talk with SA [REDACTED]

CW advised that both WHITESELL and [REDACTED] were making large amounts of money through CTI and BBC. CW informed that [REDACTED] had a percentage agreement with WHITESELL whereby he would receive a percentage of the profits generated by the schools. CW commented that WHITESELL could "pretty much take the rest". CW recalled that WHITESELL would take out \$30,000 to \$45,000 for himself about every two weeks. CW estimated that [REDACTED] received around \$12,000 per month from CTI and about \$3,000 to \$4,000 per month from BBC. CW described WHITESELL as [REDACTED] "meal ticket". CW estimated that around \$6 million to \$7 million may have been taken by fraud through CTI.

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CW stated that WHITESELL and [REDACTED] were very concerned about CTI's student admissions and maximizing the number of student enrollments at CTI. CW informed that WHITESELL



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Continuation of FD-302 of [REDACTED], On 4/28-29/94, Page 10

oversaw CTI's admissions and [REDACTED] was responsible for education.

CW informed that individuals who possibly had signature authority to write checks against CTI's bank accounts included WHITESELL, [REDACTED] and [REDACTED] had signature authority on BBC's accounts. [REDACTED] balanced the checkbooks for CTI.

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[REDACTED] At sometime after the August, 1990, DOE audit of CTI, [REDACTED] was called to testify before a Grand Jury. The day before was supposed to testify, [REDACTED] made a payment to [REDACTED] of around \$500. The payment was possibly a loan and was made via a BBC check.

CW speculated that WHITESELL was killed for one of three reasons. WHITESELL had a gambling problem and could have been murdered over a gambling debt. CW heard that a bookie had made a threatening statement to WHITESELL. However, CW did not think WHITESELL's death was gambling related, because the parties he owed would not be able to get their money if WHITESELL was dead.

CW also suggested that WHITESELL could have been murdered over a drug deal, possibly involving [REDACTED] and [REDACTED].

Thirdly, CW mentioned that [REDACTED] may have had something to do with WHITESELL's death. CW commented that [REDACTED] was very mad about the fact that WHITESELL had skimmed so much money away from CTI. CW recalled that the evening before WHITESELL was murdered, he/she was in the CTI

[REDACTED]

[REDACTED] was going to tell WHITESELL that he had turned him in to the authorities. WHITESELL was murdered the next day. CW commented that [REDACTED] had a look of disbelief on his face when he was notified of WHITESELL's death.

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Continuation of FD-302 of [REDACTED], On 4/28-29/94, Page 11

CW advised that [REDACTED] brother, [REDACTED] sometimes collected WHITESELL's gambling winnings. [REDACTED] received a percentage of the collections. On one occasion, WHITESELL tried to "stiff" [REDACTED] out of his money. [REDACTED] was going to kill WHITESELL, but [REDACTED] stopped him. CW recalled that the aforementioned incident took place about a month to a month and one-half before WHITESELL's death.

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CW stated that [REDACTED] allegedly had cancer and sinus problems. At some point, [REDACTED] indicated that he was going to "take the fall" for WHITESELL (for CTI's problems) because of his cancer. [REDACTED] was also trying to fool [REDACTED] wanted [REDACTED] to leave his wife for her. [REDACTED] would not leave his wife, and represented to [REDACTED] that he had life-threatening cancer. CW stated that [REDACTED]

CW mentioned that WHITESELL had an apartment at Garfield Place in Cincinnati, Ohio. CW advised that WHITESELL had a car telephone. He/she indicated that WHITESELL was a proponent of Sprint long distance service.

CW stated that just before and after WHITESELL's murder, [REDACTED] Ohio. There was a separate telephone line to the apartment. [REDACTED] also had [REDACTED] for use in the apartment. [REDACTED] apparently did not want WHITESELL to know he had another telephone line there. [REDACTED] also had a car telephone of his own.

CW informed that [REDACTED] owned a building in Middletown, Ohio. [REDACTED] rented the building to CTI and later to BBC.

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CW advised that [REDACTED] CW stated that on one occasion, he/she asked [REDACTED] if he could contact LUKENS or LUKENS' congressional staff to see if they could effect an [REDACTED]

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Continuation of FD-302 of [redacted], On 4/28-29/94, Page 12

record. [redacted]  
[redacted]

CW stated that at some time during the year following the DOE audit of CTI in August, 1990, [redacted] got him/her to [redacted]

situation at CTI and [redacted] involvement. [redacted] attorney, [redacted] wrote out the statement. CW advised that the statement was not true concerning the time frame that things happened. CW advised that the statement makes it appear that [redacted] immediately went to the law enforcement authorities when the DOE auditors arrived at CTI. In actuality, [redacted] waited several days until he realized that CTI's situation would be impossible to cover up before reaching out to the authorities. [redacted]

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[redacted] On one occasion, [redacted] had asked CW something to the effect of. [redacted]  
[redacted]

CW stated that when [redacted] is pressured by law enforcement, he will come after CW, [redacted] and [redacted] CW informed that [redacted] has a .357 Magnum weapon that he probably got from his brother.

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CW said that [redacted] recently claimed that he had dumped [redacted]

CW informed that [redacted] presently resides at [redacted] Middletown, Ohio, [redacted] is currently represented by an attorney named [redacted] is the brother of [redacted] wife, [redacted]

CW advised that he/she has two boxes of records pertaining to CTI at his/her home. CW stated that he/she would turn the records over to the FBI.



## HOUSE BANK TASK FORCE

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WASHINGTON, D.C. 20530FACSIMILE TRANSMISSION COVER SHEET  
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July 21, 1994

 Esq.

Room 2121  
10th & Constitution Avenue, NW  
Washington, D.C. 20530

Dear Mr. 

Several months ago, an F.B.I. agent showed up at my home in Middletown, Ohio and produced copies of some checks which were written to a Buz Lukens. I have now learned that Buz Lukens is paying off loans which were made to him and I want to make demand upon him to pay the loans which my husband,  and I made. However, I do not have copies of the checks in my records.

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Could you please either provide me with a copy of those checks or the check numbers, dates written and name of bank upon which they were written. I may then be able to get the copies. If you have the copies and would provide me with a copy of same, I would be happy to pay for your postage and copying charge. Please let me hear from you as soon as possible so that I can proceed on this matter. Thank you.

Yours truly,

Middletown, Ohio 45042

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☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 7/27/94

TO : ADIC, WMFO  
FROM : SAC, CLEVELAND (46A-WF-179870) SUB UU (P)  
SUBJECT : BIG BOUNCE;  
MAJOR CASE NO. 55;  
OO: WMFO

Re Cleveland teletype to WMFO, dated 6/13/94.

Enclosed for WMFO is docket sheet for Federal Court case number 88CV3917.

The complaint and other documents of this case are located at the Federal Records Center, Chicago, Illinois. These case documents are located in box number 74, Accession number 21-94-004, in location number 542086-542208.

If WMFO requests any further assistance in this matter, they should contact SA [redacted] telephone number [redacted]

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② - ADIC, WMFO  
2 - Cleveland  
WS:pdb  
(4)

UCFN ☒ Pos ☐ Neg 1\*  
GENERAL INDICES:

☐ Automated Search  
WF: ☐ Pos ☐ Neg AX: ☐ Pos ☐ Neg  
Approved: ☐ Manual Search Transmitted  
WF: ☐ Pos ☐ Neg AX: ☐ Pos ☐ (Number) (Time)

Per

46A-WF-179870  
uu-152  
AUG 03 1994

WASHINGTON FIELD

PLCT	OFF.	DOCKET NO. YR. NUMBER		OR	FILING DATE MO. DAY		J	NATURE SUIT	DIV. PTF DEF		R 23	\$ DEMAND THOUSANDS	JUDGE	MAG.	COUNTY	JURY DEM.	DOCKET YR. NUMBER	
7	1	88	3917	1	10	21	88	4	890	1	4		100	471		3903		88 3917

JSE: PLAINTIFFS

GOINS, Marvin

DEFENDANTS

1. CAMBRIDGE TECHNICAL INSTITUTE, INC., et al
2. Celeste, Richard, Ohio Governor
3. VOINOVICH, George Cleveland Mayor
4. Each Councilman of City of Cleveland
5. One hundred debts at Cambridge Technical Institute.
6. State Board of School and College Registration
7. Council for Noncollegiate Continuing Education
8. Norwest Bank
9. Student Loan Servicing Center

CAUSE

(CITE THE U.S. CIVIL STATUTE UNDER WHICH THE CASE IS FILED AND WRITE A BRIEF STATEMENT OF CAUSE)

18 U.S.C. 1002, 16 CFR 238-238.0, 238.1, 238.2(a), 238.2(b), 238.4(d). Dismissed from Cambridge for refusing to discuss investigation by Dept. of Education.

ATTORNEYS

Pro Se  
Marvin Goins  
408 St. Clair Ave., N.W.  
Cleveland, Ohio 44113  
(216) 621-1801

I hereby certify that this instrument is a true and correct copy of the original as it is my office.

Noted by Clerk  
Oct 21 1988  
Clerk

Cat. 12 - Cuyahoga County

CHECK HERE IF CASE WAS FILED IN FORMA AUPERIS	FILING FEES PAID			STATISTICAL CARDS	
	DATE	RECEIPT NUMBER	C.D. NUMBER	CARD	DATE MAILED
	OCT 31 1988	146 9613	8/20.11	JS-5	10/31/88
				JS-6	

~~JUDGE DOND~~

JUDGE MANOS

DATE	NR.	
10/21/88	1	CAUSE OF ACTION (78 p) Summ not issd. ee
10/25/88	2	LETTER from pltf re status of case. (2 p) ee
11/2/88	3	LETTER from pltf re status of case. (3 p) ee
11/8/88	4	MEMORANDUM OF OPINION dismissing case sua sponte w/o prej. Court lacks jurisdiction; diversity of citizenship does not exist and there is no federal question. MANOS, J. Issd 11/8/88, EOD 11/8/88 (2 p) ee
11/8/88	5	ORDER that purs to the Memorandum of Opinion issd this date, the case is dismissed w/o prej. MANOS, J. Issd 11/8/88, EOD 11/8/88 (1 p) ee
11/9/88	6	ORDER that pltf's filing fee shall be refunded upon his application therefor as case has been dismissed. MANOS, J. Issd 11/9/88, EOD 11/9/88 (1 p) ee
11/17/88	7	LETTER re pet for writ of mandamus under Rule 21 of petitioner Goins; response and copy of docket sheet requested. LEONARD GREEN/Clerk USCA. (1 p) ee
12/16/88	8	TRUE copy of order from USCA dismissing petr's request for an inj, which was construed as an application for a writ of mandamus, for mootness. Green, Clerk. Filed in USCA 12/14/88. Before: Krupansky, Ryan & Brown, Circuit Judges. (1p) (EOD 12/16/88)
12/20/88	9	ORDER that pursuant to Fed.R.Civ.P. 60(a), page 2 line 2 of the court's Memorandum of Opinion of Nov. 8, 1988 is corrected nunc pro tunc to read "16 C.F.R. §238" instead of "15 C.F.R. §238." MANOS, J. Issd 12/20/88, EOD 12/21/88 (1 p) ee



C-9

FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☒ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

Date 8/5/94

FM FBI WMFO (46A-WF-179870 SUB UU) (P)

TO FBI CINCINNATI/ROUTINE/

FBI LOUISVILLE/ROUTINE/

BT

UNCLAS

CITE: //3920//

SUBJECT: BIG BOUNCE; MAJOR CASE #55; OO: WMFO.

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RE 8/4/94 TELCALL BETWEEN SSA [REDACTED]  
LOUISVILLE DIVISION, AND SA [REDACTED] WMFO DIVISION, AND  
8/4/94 TELCALL BETWEEN SSA [REDACTED], CINCINNATI DIVISION,  
AND SA [REDACTED] WMFO.

FOR INFO OF RECEIVING OFFICES, ON 8/8/94, SA [REDACTED]  
[REDACTED], WILL TRAVEL TO CINCINNATI, OHIO, TO CONDUCT LEADS  
ON THE ABOVE-CAPTIONED CASE. SOME OF THE LEADS WILL BE IN  
LOUISVILLE DIVISION TERRITORY. SA [REDACTED] WILL RETURN TO WMFO  
AROUND 8/11-12/94. IT IS NOT ANTICIPATED THAT SA [REDACTED] WILL

Approved: [Signature]

Original filename: 46A-WF-179870 sub-153

Time Received: [Signature]

Telprep filename: CGF002SO.217

MRI/JULIAN DATE: 307/218

ISN: 012

FOX DATE &amp; TIME OF ACCEPTANCE: 8/6/94 23Z KLT

^PAGE 2 (46A-WF-179870 SUB UU) UNCLAS

NEED ANY ASSISTANCE FROM THE CINCINNATI AND LOUISVILLE  
DIVISIONS. SACS IN CINCINNATI, LOUISVILLE, AND WMFO CONCUR  
WITH SA  TRAVEL.

BT

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## Memorandum



To : ADIC WMFO [redacted] (P)

Date 8/9/94

From : SA [redacted] (C-9)

Subject: [redacted]

Dates of Contact		
5/2/94		
File #s on which contacted (Use Titles if File #s not available)		
46A-WF-179870, SUB UU		
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		b7C -
		b7D -
Purpose and results of contact		
<input type="checkbox"/> NEGATIVE <input checked="" type="checkbox"/> POSITIVE (See attached 302) <input type="checkbox"/> STATISTIC		
Description of Statistical Accomplishment	Title of Case	File No.
3-WMFO [redacted] 46A-WF-179870, SUB UU		
Information herein obtained confidentially; informant's name is not to be disclosed in a report, or otherwise, unless it has been decided definitely that this person is to be a witness in a trial or hearing.		
PERSONAL DATA		46A-WF-179870 UU-154 AUG 10 1994 FBI - WASHINGTON METRO FIELD OFFICE

kah  
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- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/8/94

[redacted] telephonically contacted the Washington Metropolitan Field Office (WMFO) of the FEDERAL BUREAU OF INVESTIGATION (FBI). The Cooperating Witness (CW) provided the following information:

CW advised that, at some time after CAMBRIDGE TECHNICAL INSTITUTE (CTI) went out of business, [redacted] got [redacted] to sign a written document which CW described as a "deposition". [redacted] monitored everything that was written in the deposition. [redacted] was very insistent [redacted] deposition state that HENRY WHITESELL told [redacted] and others that he (WHITESELL) had "whacked the Pell" (i.e., taken Federal Pell Grant money to which CTI was not entitled). CW advised that the foregoing statement was not true. In actuality, it was [redacted] who told [redacted] and the others that WHITESELL had stolen Pell Grant funds. WHITESELL never made such as statement to CW.

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CW advised that [redacted] was at the CTI corporate office the night WHITESELL was killed. [redacted] had asked [redacted] [redacted] on the telephone sometime that night. [redacted] told him/her something to the effect of "the shit's going to hit the fan" the next day. [redacted]

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Investigation on 5/2/94 at Falls Church, Virginia File # 46A-WF-179870 Sub UU

by SA [redacted] kah Date dictated 5/9/94

46A-WF-179870 Sub UU

Continuation of FD-302 of COOPERATING WITNESS, On 5/2/94, Page 2

CW informed that [ ] had formed a corporation with himself, [ ], and RALPH TURNER. The company was named LLM CORPORATION after [ ]. CW described LLM CORPORATION as a "dummy" corporation that did not do anything. At some point, [ ] the LLM CORPORATION stock that was held by TURNER before he died. [ ]

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but CW did not know the details. [ ] never received the LLM CORPORATION stock.

CW advised that [ ] was an instructor at CTI who made allegations against CTI to the LEGAL AID SOCIETY (LAS). [ ] was very angry at [ ] for going to the LAS. On one occasion, [ ] made a statement that he ought to kill [ ] made the statement in the presence of CW, [ ] and TURNER. TURNER inquired as to whether [ ] was joking. [ ] responded something to the effect of, "Well, why not (kill [ ])"

CW stated that CTI attempted to run a restart scam. CW explained that they wanted to act as if certain students who had previously dropped out had restarted at CTI. Thus, CTI could collect additional government financial aid monies for those students. CW stated that [ ] directed the attempted restart program. WHITESELL and [ ] were also involved. The restart program was unsuccessful, because they could not get the restart student names past [ ] CTI's Financial Aid Director. [ ]

CW mentioned that CTI was audited by the U.S. DEPARTMENT OF EDUCATION (DOE) during August, 1990. CTI personnel were instructed to alter records to cover up the fact that CTI had fraudulently taken financial aid monies to which the school was not entitled. CW believed that [ ] and WHITESELL originally intended to keep knowledge of the scam between themselves. However, when they realized how massive the fraud was, they decided they had to bring in other CTI employees, [ ] to help with the cover-up. CW advised that no records were provided to DOE auditors until after they had been reviewed by either [ ] or WHITESELL.

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CW advised that there were rumors that the "fingers" of [ ] and WHITESELL were "able to reach into the DOE" and

46A-WF-179870 Sub UU

Continuation of FD-302 of COOPERATING WITNESS, On 5/2/94, Page 3

other regulatory agencies. CW cited an instance where he/she observed Dr. [ ] of the STATE BOARD OF PROPRIETARY SCHOOL REGISTRATION (SBPSR), sitting with [ ] in TURNER's office at CTI. [ ] and [ ] were supposedly working on the development of a book course for computer concepts with actual hands-on computer room experience. They had talked to CW about the course. CW commented that he/she thought it was strange for [ ] and [ ] to be so "chummy".

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CW informed that, during a previous conversation with [ ] said that he had been contacted by a reporter from the WALL STREET JOURNAL who had a question about WHITESELL's estate. [ ] said he told the reporter to "lick my ass".

CW advised that he/she has approximately two boxes of material that concerns CTI. He/she is willing to turn the boxes over to the FBI.

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/1/94

[redacted] was interviewed at the CHILLICOTHE CORRECTIONAL INSTITUTE (CCI), 15802 State Route 104, Chillicothe, Ohio, telephone number [redacted] is an inmate at CCI. his inmate number is [redacted]. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

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[redacted] advised that he began working at CAMBRIDGE TECHNICAL INSTITUTE (CTI) around 1986 or 1987. He was an Admissions Representative for CTI. As an Admissions Representative, it was [redacted] job to recruit students to go to school at CTI. [redacted] was also the Director of Testing and, in that capacity, handled the admissions testing given to prospective students of CTI. [redacted] initially worked out of CTI's Cincinnati, Ohio branch and later worked in CTI's offices in Middletown, Ohio, Lebanon, Ohio, and in CTI's corporate office in Cincinnati.

[redacted] stated that he observed numerous improprieties at CTI. [redacted] cited several problems related to CTI's recruitment of students. He stated that CTI's objective was to get as many students as possible enrolled and signed up for financial aid without regard for the students' ability. [redacted] identified [redacted] the President of CTI as the CTI official who promoted this philosophy. One of [redacted] favorite slogans was "asses in classes". [redacted] set up quotas that his admissions representatives were expected to meet with regard to numbers of students processed for financial aid. If an admissions representative did not meet [redacted] quotas, the representative was terminated. [redacted] stated that [redacted] did not care at all about the quality of the students recruited by CTI. [redacted] recalled [redacted] saying, "If they can breathe and walk, get them in here." [redacted] advised that [redacted] often held meetings during which the recruitment of students was discussed. [redacted] as an Admissions Representative and Director of Testing, would attend the meetings as would other CTI admissions representatives. [redacted] the Director of

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Investigation on 8/9/94 at Chillicothe, Ohio File # 46A-WF-179870 SUB UU -154  
by SA [redacted] Date dictated 8/16/94

46A-WF-179870 SUB UU

Continuation of FD-302 of [REDACTED], On 8/9/94, Page 2

Admissions for CTI, attended the meetings. HENRY WHITESELL, the owner of CTI, and [REDACTED] were often present at the meetings. [REDACTED] remembered [REDACTED] using the phrase "asses in classes" on numerous occasions during the recruitment meetings. he also recalled [REDACTED] talking about the recruiting quotas and asserting his philosophy of signing up everyone they could, even if the recruits were not qualified to be students. [REDACTED] stated that, in response to [REDACTED] directions, CTI recruiters would pass out flyers and actively recruit individuals from welfare lines and similar locations. These practices were illegal and at one point CTI recruiters were caught by regulatory officials. After CTI was reprimanded, [REDACTED] instructed the CTI recruiters to stand just off of the welfare office property and solicit the welfare recipients as soon as they walked off the property.

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[REDACTED] advised that, as a result of the recruitment philosophy promoted by [REDACTED] CTI recruited a large number of students who could not read or write. Prospective students were given an admissions test before they could enroll at CTI. The testing procedure at CTI was corrupt. [REDACTED] stated that potential students could take the admissions test three or four times if they needed to in order to achieve a passing score. Applicants were sometimes given the answers to the test. [REDACTED] commented that "nobody failed the test." [REDACTED] was aware of students getting into CTI who could not read or write. [REDACTED] stated that he complained to [REDACTED] and [REDACTED] about individuals who flunked the admissions test being allowed to enroll. [REDACTED] ordered [REDACTED] to get the students into CTI even though they were incapable of legitimately passing the admissions test.

[REDACTED] mentioned that CTI financial aid officials would encourage students to make false statements, in order to obtain more financial aid money. For example, CTI representatives would tell women to represent that they were pregnant in order to be eligible for increased financial aid funds. [REDACTED] also stated that CTI recruiters promised prospective students that they would receive money for going to school. [REDACTED] informed that CTI's financial aid office had an address that they would give to homeless people who were enrolled as students to use to receive financial aid correspondence. [REDACTED] was aware of some homeless people enrolled at CTI.

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Continuation of FD-302 of [REDACTED], On 8/9/94, Page 3

[REDACTED] advised that CTI would receive financial aid checks for students enrolled in its schools. The checks were not given to the students. CTI officials would call the students into CTI's office to endorse the checks over to CTI. In many instances, students dropped out of CTI before their financial aid checks were received. In those cases, CTI would send out employees to obtain endorsements on the financial aid checks that were later received. [REDACTED] indicated that some of the methods used to obtain endorsements were questionable. [REDACTED] stated that he had gone out a couple of times to get endorsements on financial aid checks for students who had already dropped out of CTI. [REDACTED] advised that CTI's computer rolls contained the names of numerous individuals who had long since dropped out of CTI, but for whom CTI was still drawing financial aid monies. [REDACTED] also mentioned that CTI students were not properly informed about the amount of debt they were being obligated to repay in the form of student loans. He remembered several students coming in after graduating from CTI and complaining about loans they were responsible to repay. The students wondered how they incurred so much debt and where the money went.

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[REDACTED] stated that he was concerned about the improprieties occurring at CTI. As Director of Testing, he was particularly concerned about the corruption in the administration of the admissions tests to prospective CTI students. [REDACTED] explained that he was on probation with Hamilton County, Ohio for a conviction on bad check charges around 1986. He was worried that his involvement in the improprieties at CTI could result in the revocation of his probation by Hamilton County. [REDACTED] stated he voiced his concerns about CTI's testing practices to [REDACTED] WHITESELL, and [REDACTED]. They ignored his complaints and made no effort to change the procedures.

When [REDACTED] realized that [REDACTED] and WHITESELL were not going to take any action to clean up CTI, [REDACTED] decided to go to the Ohio Attorney General's Office (OAGO) and report the improprieties at CTI. [REDACTED] recalled that he contacted the Attorney General's Office around the spring of 1988 or 1989. [REDACTED] stated that he went to the Attorney General's Office because he was concerned about his own well-being and afraid of having his probation revoked. He also felt bad for the CTI students and their parents who he believed were "getting robbed." [REDACTED] remembered that he talked with a [REDACTED] (LNU) in the Fraud Division of the OAGO. He told [REDACTED] (LNU) about the

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Continuation of FD-302 of \_\_\_\_\_, On 8/9/94, Page 4

various problems he had observed at CTI involving admissions testing, financial aid, and the recruitment of students. \_\_\_\_\_ (LNU) asked \_\_\_\_\_ several questions, which he attempted to answer. \_\_\_\_\_ recalled that he wrote a letter to the OAGO documenting the problems at CTI and that he sent records to \_\_\_\_\_ (LNU). \_\_\_\_\_ advised that he was supposed to go to Columbus, Ohio, for an interview or to testify for the OAGO.

After \_\_\_\_\_ went to the OAGO with his allegations against CTI, he received a visit from \_\_\_\_\_ and \_\_\_\_\_ and \_\_\_\_\_ asked \_\_\_\_\_ what he was doing. \_\_\_\_\_ explained that he went to the OAGO to "cover his butt", because of his probationary status.

\_\_\_\_\_ recalled receiving a telephone call from \_\_\_\_\_ at his home at about 9:00 p.m. one evening after he had gone to the OAGO. \_\_\_\_\_ asked \_\_\_\_\_ to come in and see him. \_\_\_\_\_ went to see \_\_\_\_\_ at his office. First, \_\_\_\_\_ told \_\_\_\_\_ that WHITESELL would compensate him appropriately if he agreed to retract the allegations he had made against CTI to the OAGO. When \_\_\_\_\_ hesitated, \_\_\_\_\_ said something to the effect of, "You don't want to talk to the Attorney General. You don't know who you're dealing with." \_\_\_\_\_ added another warning to the effect of, "Your kids will grow up wondering what happened to their father." \_\_\_\_\_ stated that he recorded the foregoing conversation with \_\_\_\_\_. He advised that the tape recording is in the possession of \_\_\_\_\_ an attorney in Lebanon, Ohio, who represented \_\_\_\_\_ in one of his court cases. \_\_\_\_\_ informed that \_\_\_\_\_ has other documents relating to \_\_\_\_\_ employment at CTI.

\_\_\_\_\_ stated that he had a meeting with WHITESELL, \_\_\_\_\_ and possibly an attorney. The meeting took place in WHITESELL's office. WHITESELL and \_\_\_\_\_ asked \_\_\_\_\_ "What do you need to stop this", meaning the accusations he had made against CTI to the OAGO. \_\_\_\_\_ told them he wanted his job back. \_\_\_\_\_ explained that after he had gone to the OAGO, he had been fired for allegedly having sex with a CTI student. \_\_\_\_\_ stated that he is married and has six children, and that the accusation against him was totally false. In the meeting \_\_\_\_\_ also told WHITESELL and \_\_\_\_\_ that he wanted a car to go back and forth to work. WHITESELL and \_\_\_\_\_ agreed to meet \_\_\_\_\_ demands.

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Continuation of FD-302 of [REDACTED], On 8/9/94, Page 5

[REDACTED] stated that after his conversation with [REDACTED] during which [REDACTED] made the aforementioned threatening remarks, he decided to make a deal with WHITESELL and [REDACTED]. WHITESELL and [REDACTED] gave [REDACTED] a CTI check for around \$1,200 to \$1,500 to use to buy a used car. [REDACTED] bought a used Subaru. They gave [REDACTED] a job in charge of the admissions branch in Lebanon, Ohio, for CTI's school in Middletown, Ohio. [REDACTED] pay was raised to \$24,000 per year. WHITESELL and [REDACTED] provided [REDACTED] with his own office, which was located in the back of a Goodwill store in Lebanon. [REDACTED] stated that it was his understanding that he was provided with the money, job, and office by WHITESELL and [REDACTED] in return for him keeping quiet about the improprieties at CTI.

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[REDACTED] advised that after WHITESELL and [REDACTED] "bought him off", they had him write and sign a letter retracting the allegations he had made against CTI. [REDACTED] thought he wrote the letter at the time he received the money from WHITESELL and [REDACTED] and it was understood that he would not receive the money unless he wrote the retraction letter. WHITESELL and [REDACTED] told [REDACTED] what to put in the letter. [REDACTED] typed the letter and signed it. He remembered giving the letter to [REDACTED] who was present throughout the meeting. [REDACTED] believed he wrote that he was mistaken when he made the allegations against CTI to the OAGO. [REDACTED] recalled that a copy of the retraction letter was possibly included in the documents held by [REDACTED].

[REDACTED] stated that, prior to entering into the above-stated agreement with WHITESELL and [REDACTED] he had agreed to meet with the OAGO to be interviewed or testify about the problems at CTI. After being paid off by WHITESELL and [REDACTED], [REDACTED] canceled the meeting with the OAGO. [REDACTED] told [REDACTED] that if he did have to meet with the OAGO, attorneys for CTI would go with him. [REDACTED] was given the impression by [REDACTED] that CTI's attorneys would accompany him whether he wanted them to or not.

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[REDACTED] claimed that he is currently in prison as the result of being "set up" by [REDACTED] and possibly WHITESELL. When [REDACTED] was given the job in CTI's admissions office in Lebanon, Ohio, WHITESELL told him to open a bank account for CTI. [REDACTED] opened an account at the LEBANON CITIZENS BANK (LCB). [REDACTED] was authorized to purchase furniture and office supplies.

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Continuation of FD-302 of \_\_\_\_\_, On 8/9/94, Page 6

WHITESELL said CTI would deposit funds into the bank account to cover \_\_\_\_\_ purchases. \_\_\_\_\_ stated that \_\_\_\_\_ was well aware of the arrangement. \_\_\_\_\_ advised that CTI did not deposit money into the bank account to cover the checks he had written for purchases. As a result, the checks bounced.

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\_\_\_\_\_ stated that \_\_\_\_\_ then fired him from his position in admissions in CTI's Lebanon office. \_\_\_\_\_ suspected that he was terminated because CTI decided that Lebanon was an area from which they seriously wanted to attempt to recruit students. \_\_\_\_\_ had a meeting with \_\_\_\_\_ at his office in Cincinnati. He asked \_\_\_\_\_ why he was being terminated. \_\_\_\_\_ said that they had found about \_\_\_\_\_ felony conviction on bad check charges. \_\_\_\_\_ told \_\_\_\_\_ something to the effect of, "Now we've got you on stuff in Lebanon", meaning the aforementioned bounced checks. \_\_\_\_\_ told \_\_\_\_\_ that he would call the OAGO about CTI. \_\_\_\_\_ responded, "Nobody will believe you. We've got you." \_\_\_\_\_ demanded to talk to WHITESELL. \_\_\_\_\_ would not let him speak to WHITESELL. \_\_\_\_\_ told \_\_\_\_\_ that he \_\_\_\_\_ ran CTI. OLINGER was aware of a memorandum which stated WHITESELL was stepping down and \_\_\_\_\_ was taking over as President and Chairman of CTI. WHITESELL was murdered. After WHITESELL was killed, \_\_\_\_\_ maintained that he did not know anything about \_\_\_\_\_ authorization to open a bank account for CTI in Lebanon, Ohio.

\_\_\_\_\_ advised that \_\_\_\_\_ turned him in to the Lebanon Police. \_\_\_\_\_ recalled \_\_\_\_\_ and another guy showing up and saying he had no knowledge of \_\_\_\_\_ arrangement with regard to the account at the LCB. \_\_\_\_\_ told the police that \_\_\_\_\_ never had permission to write checks on CTI's account at LCB. \_\_\_\_\_ accusations resulted in a warrant being issued for \_\_\_\_\_'s arrest on bad check charges. \_\_\_\_\_ stated that the charges involved approximately three bad checks for office supplies totalling about \$156.00.

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\_\_\_\_\_ informed that \_\_\_\_\_ worked with him for CTI in Lebanon. She helped him pick out the office and furniture for the office. \_\_\_\_\_ left her employment with CTI because of the improprieties she witnessed in the organization.

\_\_\_\_\_ was questioned about CTI's policy for making refunds of Guaranteed Student Loans (GSL) for students who had

46A-WF-179870 SUB UU

Continuation of FD-302 of [REDACTED], On 8/9/94, Page 7

[REDACTED] dropped out of school. [REDACTED] stated that he never heard of anyone getting a refund of GSL monies. [REDACTED] qualified his response by saying that he was not involved with the bookkeeping for financial aid programs at CTI. [REDACTED] remembered that CTI students and former students would come in and complain about letters they had received concerning GSL debts. [REDACTED] also recalled that, on a quarterly basis, the financial aid office would send down stacks of checks with instructions to go get signature endorsements on the checks.

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[REDACTED] stated that around 1990, after he had left CTI but before WHITESELL was killed, he was interviewed by WKC-TV, Channel 12, for a feature the station was doing on CTI. [REDACTED] did a taped interview with [REDACTED] an investigative reporter for Channel 12. The interview aired on television.

[REDACTED] advised that he was contacted by the Legal Aid Society (LAS) in Cincinnati, Ohio. [REDACTED] recalled talking with a female attorney for the LAS. [REDACTED] never heard back from the LAS after his interview with the female attorney.

[REDACTED] stated that he was never physically harmed by anyone associated with CTI. [REDACTED] reiterated that he was threatened by [REDACTED] after he had gone to the OAGO when [REDACTED] told him, "You don't know who you're dealing with." [REDACTED] advised that he was also threatened by [REDACTED] at the time that [REDACTED] fired him from his position at CTI's Lebanon office. When [REDACTED] terminated [REDACTED] he told him something to the effect of, "If you keep going to the Attorney General, we've got you. We'll keep going all the way. You'll never get out of prison." [REDACTED] stated that [REDACTED] threats were in reference to the situation in Lebanon involving the bad checks. [REDACTED] believed the conversation during which

[REDACTED] made the threats took place around the summer of 1989.

[REDACTED] advised that shortly after he was fired by CTI, he went to work for the Kentucky Career Institute (KCI). [REDACTED] called the KCI and told him about [REDACTED] criminal history. KCI was forced to terminate [REDACTED] employment after learning the information provided by [REDACTED] called [REDACTED] to complain. [REDACTED] hung up the phone on [REDACTED]

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Continuation of FD-302 of [REDACTED], On 8/9/94, Page 8

[REDACTED] stated that he called [REDACTED] a couple of times after he was fired by CTI to attempt to collect his last paycheck. [REDACTED] stated that he has not spoken with [REDACTED] since shortly after he was terminated from his employment with CTI in Lebanon, Ohio.

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[REDACTED] asserted that [REDACTED] and [REDACTED] were "right in the middle of everything going on at CTI." [REDACTED] stated that [REDACTED] definitely knew about everything going on at CTI. [REDACTED] described [REDACTED] as [REDACTED] "right-hand man." [REDACTED] drove fancy cars and often went to Cincinnati Reds games with [REDACTED] commented that in order to get to WHITESELL, one had to go through [REDACTED] and/or [REDACTED]

[REDACTED] advised that CTI and BOHECKER'S BUSINESS COLLEGE (BBC) were virtually one in the same. He mentioned that CTI was "kicked out" of Kentucky. [REDACTED] and WHITESELL changed the name of the school to BBC and continued to operate in Kentucky.

[REDACTED] commented that "everything seemed illegal" at CTI. That is why he felt compelled to go to the OAGO and report the improprieties he observed at CTI. [REDACTED] reiterated that the possibility of having his probation revoked was also a factor in his decision to go to the OAGO.

[REDACTED] discussed his criminal history. He informed that he was convicted on felony bad check charges in Hamilton County, Ohio, and Warren County, Ohio, around 1986. The checks which constituted his offense totalled approximately \$300.

[REDACTED] pled guilty and received a two year prison sentence and five years probation. [REDACTED] served 60 days in prison. [REDACTED] advised that, at the time of the felony conviction around 1986, he had a prior misdemeanor conviction on his record for bad checks. [REDACTED] informed that around 1989 or 1990, he was convicted in Warren County, Ohio, on charges of writing approximately \$156.00 of bad checks while working for CTI in Lebanon, Ohio. After being convicted, [REDACTED] failed to return for his sentencing. Law enforcement authorities did not come to get him. [REDACTED] remained free until he was stopped by police on a traffic stop in 1993. [REDACTED] drove away from the police and was charged with failure to comply. [REDACTED] ultimately received consecutive sentences for all of his convictions, which resulted in his confinement at the present time. [REDACTED] is scheduled to

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Continuation of FD-302 of [REDACTED], On 8/9/94, Page 9

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furlough in November 1994. [REDACTED] also mentioned that he could possibly receive "shock probation" in the near future dependent upon a ruling from Judge FEDDERS (phonetic).

[REDACTED] informed that his new attorney is [REDACTED] of Lebanon, Ohio, telephone number [REDACTED] was hired by [REDACTED] parents, [REDACTED] and [REDACTED] of [REDACTED] Cincinnati, Ohio 45249, telephone number [REDACTED] stated his father is a Vice President of PROCTOR & GAMBLE. [REDACTED] indicated that he will be living with his parents when he gets out of prison.

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[REDACTED] advised that he can be reached by calling the CCI and asking for the A Unit. Then ask for [REDACTED] or Sergeant [REDACTED] can also be contacted by going through Warden RALPH COYLE's office and arranging to call [REDACTED] at a specific time.

The following descriptive information was taken from interview and observation of [REDACTED]

Name:	[REDACTED]
Race:	White
Sex:	Male
DOB:	[REDACTED]
POB:	Parma, Ohio
Inmate Number at CCI:	[REDACTED]
SSAN:	[REDACTED]
Wife:	[REDACTED]
Home Address:	[REDACTED]
	Ludlow, Kentucky 41016
Home Telephone Number:	[REDACTED]

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/14/94

[redacted] DOB: [redacted] was interviewed at her place of employment, SQUARE D, 1500 South University, Middletown, Ohio 45044, telephone number [redacted] is a General Ledger Clerk for SQUARE D and has been so employed since April, 1990. [redacted] resides at [redacted] Trenton, Ohio 45067, telephone number [redacted] After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] furnished the following information:

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[redacted] advised that she is originally from Ohio. After her husband died, she went back to college in Illinois. She then returned to Ohio following her graduation. [redacted] a girlfriend of [redacted] contacted her about a job with the CAMBRIDGE TECHNICAL INSTITUTE (CTI) school in Dayton, Ohio. [redacted] interviewed for the position with [redacted] a Certified Public Accountant (CPA) in Dayton. She also talked with [redacted] a part-owner of CTI. Around September of 1985, [redacted] was hired to work at CTI's Dayton school.

[redacted] described her job responsibilities at CTI. She handled the bookkeeping for Pell Grant monies and Guaranteed Student Loans (GSL) received by students at CTI. [redacted] set up and maintained accounts for each student to keep track of that student's Pell Grant and GSL financial aid monies. She recorded the Pell Grants and GSLs received by CTI's students. Each quarter, [redacted] deducted the funds used by the students. [redacted] informed that she kept an individual file on each CTI student. [redacted] advised that she also sometimes performed calculations to determine the amounts of Pell Grant monies CTI students qualified for. She would generally help out with those functions in situations where CTI got behind in its financial aid calculations.

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[redacted] stated that she moved from CTI's Dayton school to the CTI location in Middletown, Ohio. Around 1987, CTI opened a branch in Cincinnati, Ohio. [redacted] went to that location for a

Investigation on 8/9/94 at Middletown, Ohio File # 46A-WF-179870 SUB UU - 154  
by SA [redacted] [signature] Date dictated 9/7/94 X2



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Continuation of FD-302 of \_\_\_\_\_, On 8/9/94, Page 2

period of time. She then ended up in the CTI corporate office in Cincinnati. \_\_\_\_\_ mentioned that \_\_\_\_\_ stayed in Dayton. HENRY WHITESELL, another owner of CTI, went to Cincinnati. \_\_\_\_\_ also stated that \_\_\_\_\_ worked in CTI's corporate office. \_\_\_\_\_ and \_\_\_\_\_ rode to work together since they both lived in Trenton, Ohio.

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\_\_\_\_\_ stated that she observed several questionable practices at CTI. She advised that CTI's recruiters were paid based on how many students they got to enroll at CTI. Thus, the recruiters would recruit practically anyone. \_\_\_\_\_ was aware of a man with deformed hands who was recruited into a computer curriculum. She also mentioned that CTI enrolled an individual who was not mentally able to learn and signed him up for financial aid. The man started receiving letters demanding payment of a student loan. \_\_\_\_\_ told the man's guardian to put pressure on CTI to refund the student loan money. \_\_\_\_\_ commented that, if people complained loudly enough, CTI would make refunds. However, CTI would not make refunds on its own volition.

\_\_\_\_\_ advised that CTI's recruiters apparently often gave prospective students the misconception that they would be paid to go to school. \_\_\_\_\_ observed students who came into CTI and who thought they were going to get paid to go to school. \_\_\_\_\_ stated that \_\_\_\_\_ handled many of the complaints raised against CTI. On occasion, \_\_\_\_\_ would ask \_\_\_\_\_ about the problems she was dealing with. \_\_\_\_\_ would sometimes respond by saying, "You don't need to know."

\_\_\_\_\_ stated that sometimes students enrolled at CTI would not actually even come to school. CTI would send representatives to the houses of those individuals to encourage them to come. \_\_\_\_\_ thought that, if students came to school for one day, CTI could negotiate checks received for financial aid for those students. \_\_\_\_\_ also mentioned that CTI would send out representatives to find individuals enrolled at CTI simply to obtain endorsements on financial aid checks received by CTI in their names. \_\_\_\_\_ was not aware of CTI personnel forging signatures on financial aid checks.

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\_\_\_\_\_ advised that a major problem at CTI was the school's failure to make timely refunds of GSL movies collected for students who had dropped out of CTI or never even showed up for classes. \_\_\_\_\_ explained that, when a student dropped out of

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Continuation of FD-302 of [REDACTED], On 8/9/94, Page 3

CTI, the school had a certain amount of time to refund financial aid funds which had been received for that student. She thought the grace period might have been 30 days. [REDACTED] stated that she was responsible for calculating refunds of financial aid monies that needed to be paid. When [REDACTED] received notification that a student had dropped out of CTI, she would review class attendance records to determine how long the student had been in school. The days of attendance would factor into the calculation of how much money CTI was obligated to return. When she completed her calculations, [REDACTED] would prepare a check request to pay the refund. [REDACTED] would generally provide the refund check request to [REDACTED] was supposed to obtain the signature of WHITESELL on the refund check and have the check sent out. [REDACTED] stated that she monitored whether the refund checks were sent out. [REDACTED] advised that she handled all of the refunds which needed to be made by CTI's schools, including CTI's locations in Cincinnati, Dayton, and Cleveland, Ohio.

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[REDACTED] stated that she became concerned that checks for Financial Aid refunds were not going out as they were supposed to. She commented that CTI was holding onto GSL money and delaying Pell Grant refunds for students who had dropped out of CTI. [REDACTED] advised that some refund check requests were held for long periods of time, sometimes for 3 to 6 months. CTI tried to delay some refunds of Pell monies until the following quarter. [REDACTED] explained that usually she sent a list of check requests, and that the checks were not actually prepared by her. [REDACTED] typed the refund checks for awhile and then another woman handled that responsibility. [REDACTED] stated that the situation at CTI worsened to the point where, when [REDACTED] would type up a list of refund check requests and give it to [REDACTED] sometimes checks would be issued and sometimes they would not. [REDACTED] then stated that she thinks CTI "started out okay", but that it evolved to the point where CTI officials were only concerned about money.

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As mentioned previously, [REDACTED] would prepare lists of check requests for refunds of Financial Aid monies on students who had dropped out of CTI. Sometimes word would come back to [REDACTED] to take some of the names off the list. Sometimes [REDACTED] would be told to only send a few of the pages from the list of refund check requests rather than the entire list. The messages to [REDACTED] came through [REDACTED] from WHITESELL and possibly [REDACTED] the President of CTI. [REDACTED] felt that the decisions

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Continuation of FD-302 of [REDACTED], On 8/9/94, Page 4

regarding the refund check requests were probably made by WHITESELL and [REDACTED]

[REDACTED] advised that the total outstanding amount of refunds owed by CTI got to be quite significant. [REDACTED] estimated that the outstanding debt often reached the level of several hundred thousand dollars. Her recollection was that the total refunds owed by CTI was over \$100,000 most of the time.

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[REDACTED] was asked why the required refunds were not being made by CTI. [REDACTED] offered her opinion on the subject. She stated that WHITESELL and [REDACTED] another owner of CTI, were doing a lot of expensive remodeling on their residences.

[REDACTED] was building a big house with a swimming pool and buying furniture for the house. [REDACTED] informed that CTI had luxurious corporate offices and purchased three or four new Porsche automobiles. WHITESELL, [REDACTED] and CTI were living a lavish lifestyle. [REDACTED] suspected that funds were not available to pay refunds of financial aid monies because CTI officials had taken the money for their own personal benefit.

[REDACTED] stated that she would talk to [REDACTED] and tell her that she was concerned about the lack of financial aid refunds going out. [REDACTED] would say that she would talk to WHITESELL about the situation. However, the required refunds still would not be issued. [REDACTED] often would tell [REDACTED] that WHITESELL directed her to hold back the refunds. [REDACTED] stated that [REDACTED] was concerned about CTI's failure to make necessary refunds of financial aid monies.

[REDACTED] advised that CTI officials requested that she backdate documents pertaining to financial aid refunds being made by CTI. She thought the documents CTI wanted backdated were lists of refunds determined to be owed by CTI or cover letters accompanying the refund checks being sent back to lenders. [REDACTED] thought the intention of CTI officials in backdating the documents was to make it appear that the refunds had been made in a timely manner. [REDACTED] stated that she was initially approached by [REDACTED] who asked her if she would backdate the letters or refund lists. [REDACTED] responded that she would not backdate documents. [REDACTED] then asked how [REDACTED] would feel if WHITESELL asked her to backdate the letters or lists. Again [REDACTED] refused.

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Continuation of FD-302 of \_\_\_\_\_, On 8/9/94, Page 5

Maybe a day or two after \_\_\_\_\_ asked her to backdate documents, \_\_\_\_\_ had a meeting with WHITESELL, \_\_\_\_\_, and possibly someone else. The meeting took place in WHITESELL's office at CTI's corporate headquarters. During the meeting, \_\_\_\_\_ was asked if she would backdate the letters, lists, or other correspondence to be included with the refund checks being sent out by CTI. \_\_\_\_\_ thought that WHITESELL was the person who made the request to her. WHITESELL did not say why the documents needed to be backdated, and \_\_\_\_\_ did not ask him for an explanation. \_\_\_\_\_ stated that she refused to backdate the documents. She then got up and left the meeting. WHITESELL, \_\_\_\_\_ and \_\_\_\_\_ stayed in the room. \_\_\_\_\_ did not come back to \_\_\_\_\_ desk to speak with her after getting out of the meeting. \_\_\_\_\_ did not talk to \_\_\_\_\_ for quite awhile after the above-stated meeting. \_\_\_\_\_ believed that the meeting during which she was asked to backdate documents took place around the first part of December, 1988.

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Within a few days of the aforementioned meeting, \_\_\_\_\_ was fired by \_\_\_\_\_. \_\_\_\_\_ commented that \_\_\_\_\_ enjoyed firing people. \_\_\_\_\_ gave \_\_\_\_\_ a termination letter which cited sloppy work on her part. \_\_\_\_\_ still has the letter. \_\_\_\_\_ stated that her work at CTI was just fine, and that she was really fired because she refused to backdate documents as requested by CTI officials. \_\_\_\_\_ advised that CTI had just undergone an audit prior to her termination. The audit was possibly conducted by the U.S. DEPARTMENT OF EDUCATION (DOE). During the audit, one of the auditors had commended WILLS for the good job she was doing.

After she was fired, a CTI employee stood over \_\_\_\_\_ while she cleaned out her desk. \_\_\_\_\_ was using a CTI company car at the time. \_\_\_\_\_ told her the CTI employee would take her home and he did.

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\_\_\_\_\_ recalled that, when she left CTI, there were quite a large number of refund checks that needed to be issued to return Financial Aid monies for students who had dropped out of CTI. She conservatively estimated that the liability owed by CTI was over \$100,000. \_\_\_\_\_ advised that she had kept some refund lists and other papers regarding the refund situation. However, she recently threw the documents away. \_\_\_\_\_ had kept the documents for a period of time because \_\_\_\_\_ had suggested keeping them to "cover herself."

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Continuation of FD-302 of \_\_\_\_\_, On 8/9/94, Page 6

\_\_\_\_\_ stated that she was under the impression that \_\_\_\_\_ was a part-owner of CTI. She thought that when \_\_\_\_\_ died \_\_\_\_\_ acquired a portion of ownership interest in CTI.

\_\_\_\_\_ stated that \_\_\_\_\_ was definitely aware of everything that was going on at CTI. She commented that WHITESELL and \_\_\_\_\_ were close. \_\_\_\_\_ believed that WHITESELL and \_\_\_\_\_ together made the decisions regarding CTI. \_\_\_\_\_ thought \_\_\_\_\_ had some responsibility for CTI's recruiters and some involvement with the recruiting improprieties that occurred at CTI.

\_\_\_\_\_ advised that \_\_\_\_\_ received substantial financial benefits through his position at CTI. Before he came to CTI, \_\_\_\_\_ was a school teacher living in a small house in Mayfield, Ohio. After being with CTI for a period of time, \_\_\_\_\_ built a big fancy house in Middletown, Ohio.

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\_\_\_\_\_ indicated that she may have talked to \_\_\_\_\_ after she was terminated from CTI. \_\_\_\_\_ had a lot of involvement with the Pell Grants received by students at CTI. \_\_\_\_\_ had recalled speaking with \_\_\_\_\_ at some point in time about the problems at CTI. \_\_\_\_\_ was upset because she thought certain things occurring at CTI were wrong. \_\_\_\_\_ did not feel comfortable working in the situation she was in at CTI. \_\_\_\_\_ stated that she and \_\_\_\_\_ were getting their resumes together to possibly leave CTI and seek other employment. As mentioned previously, \_\_\_\_\_ was fired before she had the chance to leave on her own. \_\_\_\_\_ informed that \_\_\_\_\_ possibly lives in Becket Ridge, Ohio.

\_\_\_\_\_ was served with a subpoena to testify before the Federal Grand Jury in Washington, D.C. \_\_\_\_\_ indicated she will comply with the subpoena.

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/22/94

[redacted] nee [redacted], white female. DOB: [redacted]  
[redacted] POB: Fort Thomas, Kentucky, SSAN: [redacted] was  
contacted at her residence, [redacted]  
Kentucky, telephone number [redacted]. After being advised of  
the identity of the interviewing agent and the nature of the  
interview, [redacted] provided the following information:

[redacted] began working at CAMBRIDGE TECHNICAL INSTITUTE  
(CTI) during 1987. She started as a receptionist and handled  
secretarial duties. [redacted] would screen calls for HENRY  
WHITESELL, the owner of CTI. She also typed correspondence and  
handled the typing related to personnel. [redacted] stated that she b6  
worked for both WHITESELL and [redacted], the President of b7C  
CTI, but more of her time was spent working for WHITESELL.

[redacted] advised that she sometimes helped type disbursement  
checks for CTI. She was not sure where the money came from to  
make the disbursements. [redacted] commented that, if students  
stayed in school for a certain period of time, they received a  
specific amount of money. [redacted] advised that she served as the  
Guaranteed Student Loan (GSL) coordinator for CTI for a period of  
time. In that capacity, she was involved in the processing of  
student loan applications and signed off on the paperwork.

[redacted] advised that she was laid off by CTI in 1990, a few weeks  
before WHITESELL was murdered.

[redacted] stated that the first time she heard of U.S.  
Congressman DONALD "BUZ" LUKENS was when LUKENS was implicated in  
criminal sex offense charges. [redacted] remembered taking a  
telephone call from LUKENS. LUKENS called for [redacted] who  
was out of the office at the time of the call. [redacted] took a  
phone message from LUKENS for [redacted] informed b6  
that CTI saved phone messages. WHITESELL wanted to save phone b7C  
messages in case he needed to retrieve a telephone number. The  
messages were written in books containing three message slips per  
page with carbons to make a copy of each message. [redacted]  
recalled that she would rip out the white part of the message  
slip and give it to the recipient of the message. A pink copy

Investigation on 8/10/94 at Alexandria, Kentucky File # 46A-WF-179870 SUB UU

by SA [redacted] Date dictated 9/15/94

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would remain in the message book. \_\_\_\_\_ suggested that a message slip of the call from LUKENS for \_\_\_\_\_ might exist if such documents have not been thrown away. \_\_\_\_\_ remembered that, at the time she received the call from LUKENS, \_\_\_\_\_ was waiting for LUKENS to call him. \_\_\_\_\_ was waiting to hear back from LUKENS about something. \_\_\_\_\_ was not aware of why \_\_\_\_\_ was in contact with LUKENS. However, she recalled that the call took place around the time of a "big audit" conducted by the U.S. DEPARTMENT OF EDUCATION (DOE) at CTI. \_\_\_\_\_ did not recall ever typing a check to LUKENS.

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\_\_\_\_\_ was questioned about \_\_\_\_\_ of the Accrediting Council for Continuing Education & Training (ACCET). \_\_\_\_\_ remembered \_\_\_\_\_ visiting the CTI offices. She stated that WHITESELL and \_\_\_\_\_ went out of their way to be nice to \_\_\_\_\_ and possibly took her to a Cincinnati Reds baseball game. \_\_\_\_\_ recalled typing a promissory note for a loan made to \_\_\_\_\_ by WHITESELL or the school. \_\_\_\_\_ thought the transaction was unusual, because she felt that someone of \_\_\_\_\_ "stature" could certainly obtain a loan from a bank or other source. \_\_\_\_\_ thought that \_\_\_\_\_ knew about the promissory note documenting the loan to \_\_\_\_\_. She commented that \_\_\_\_\_ "knew everything that went on at CTI."

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\_\_\_\_\_ recalled \_\_\_\_\_ calling the CTI office. She recalled observing an older black man in CTI's location who she thought was \_\_\_\_\_. \_\_\_\_\_ thought that \_\_\_\_\_ was at CTI with several people from the Board of Education.

\_\_\_\_\_ was asked about a program review conducted by the U.S. DEPARTMENT OF EDUCATION at CTI during August, 1990. \_\_\_\_\_ recalled working really intensely for a period of a week or two on records to be submitted to the DOE reviewers. She remembered sometimes working until 4:00 a.m. in the morning. \_\_\_\_\_ stated that no one really explained what exactly they were doing. She simply took orders and tried to do what she was told. \_\_\_\_\_ recalled being told that the Financial Aid Department did not keep up adequate records and were behind in postings. \_\_\_\_\_ stated that she was initially under the impression that CTI just needed to get its files up to proper standards. She later realized that the problems at CTI were much more serious.

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Continuation of FD-302 of [REDACTED], On 8/10/94, Page 3

[REDACTED] recalled performing various functions while the DOE program review was going on. She remembered re-posting information and creating new ledgers to give to the DOE reviewers. [REDACTED] also thought she did some work on records related to Pell Grant refunds. She remembered pulling files to match refund sheets. She recalled working with big books of documents on which some of the information was highlighted, some in colored pencil, and some in red ink. [REDACTED] also remembered all kinds of student files being around. Additionally, [REDACTED] recalled typing up various documents. [REDACTED] did not remember working on student attendance records. [REDACTED] advised that WHITESELL gave most of the orders for what she was doing. She stated that she was actually working under [REDACTED] who was a "super good friend" of WHITESELL. [REDACTED] was directing [REDACTED] and [REDACTED] who were also working on records for the DOE reviewers.

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As the DOE program review progressed, [REDACTED] came to the realization that CTI had more serious problems than just being behind in its record keeping. However, [REDACTED] did not realize the extent of the trouble at CTI. When [REDACTED] was terminated by CTI, she still did not realize that CTI had stolen financial aid monies. It was not until after WHITESELL's murder that [REDACTED] told her about the fraud perpetrated at CTI. [REDACTED] commented that, in hindsight, she realizes that the work she was doing with regard to the CTI records probably constituted an attempted cover-up of a fraud rather than simply catching up paperwork.

[REDACTED] stated that at the time of the DOE review, she knew she was going to get laid off by CTI in the near future. She was unhappy having to work virtually around the clock. CTI was trying to get records together in such a hurry that CTI employees were basically forbidden to leave. Additionally, [REDACTED] sensed that CTI had some significant problems although she did not know the full extent. [REDACTED] knew if she quit her employment at CTI, she would not be able to collect unemployment. [REDACTED] remembered wanting CTI to hurry up and lay her off so she could get away from the situation. [REDACTED] advised that she was terminated before the last few weeks of CTI's existence.

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[REDACTED] advised that WHITESELL and [REDACTED] always appeared to be good friends. However, after WHITESELL's death, [REDACTED] went on a CABLE NEWS NETWORK (CNN) program and said



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Continuation of FD-302 of [REDACTED], On 8/10/94, Page 4

[REDACTED] disparaging things about WHITESELL. [REDACTED] commented that it shocked her to see the CNN feature and hear [REDACTED] implicating WHITESELL in wrongdoing. [REDACTED] stated that the CNN program was the first time she was aware of the magnitude of the problems at CTI.

[REDACTED] was asked about problems concerning CTI's making refunds of Pell Grant monies and GSL's for students who had dropped out of CTI. [REDACTED] was not aware that there were any problems with financial aid refunds until [REDACTED] resigned. [REDACTED] was CTI's Director of Financial Aid. [REDACTED] described as a "straight person." After [REDACTED] quit, she took a lower paying job. [REDACTED] suspected that [REDACTED] "knew something" (regarding problems at CTI) and that is why she resigned. [REDACTED] remembered that when the DOE program review was ongoing, [REDACTED] said something to the effect of, "I'll bet [REDACTED] called these people (the DOE auditors)."

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[REDACTED] advised that CTI was experiencing financial problems. She knew CTI was in trouble when entities were continually calling wanting money because CTI was not paying its bills. [REDACTED] an accountant for CTI who paid the company's bills, would often complain about CTI's lack of financial resources to meet its obligations. [REDACTED] commented that CTI apparently spent a lot of money on its lavish office space, furnishings, and supplies. WHITESELL would authorize the acquisition of just about any office furnishing they wanted. A number of CTI employees had company cars. CTI also customarily provided free parking and free lunches and sodas for its personnel. [REDACTED] recalled WHITESELL selling his Ferrari automobile when CTI's finances got tight. [REDACTED] stated that she thought CTI and school officials acquired too much money too fast and got used to having a lot of money. They got to the point where they could not live without the money and that led them to resort to improper means to keep the funds flowing in.

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[REDACTED] informed that [REDACTED] received significant financial benefits from his association with CTI and BOHECKER'S BUSINESS COLLEGE (BBC). She advised that [REDACTED] received checks on a regular basis from both CTI and BBC. [REDACTED] sometimes typed the BBC payroll checks and noted payments to [REDACTED]. She commented that [REDACTED] appeared to be doing well financially.

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Continuation of FD-302 of \_\_\_\_\_, On 8/10/94, Page 5

\_\_\_\_\_ advised that \_\_\_\_\_ had a wife who was very nice. While married to his wife, \_\_\_\_\_ also dated \_\_\_\_\_. The relationship between \_\_\_\_\_ and \_\_\_\_\_ had gone on for four to five years. \_\_\_\_\_ had her own apartment where \_\_\_\_\_ often stayed with her. \_\_\_\_\_ stated that she felt sorry for \_\_\_\_\_ wife, because \_\_\_\_\_ was not very discreet about his affair with \_\_\_\_\_. WHITESELL also had extramarital affairs but was more discreet about them. WHITESELL had an apartment next to the CTI offices where he had his liaisons. \_\_\_\_\_ commented that WHITESELL's wife seemed to suspect him of having affairs as she always seemed to have "100 questions."

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\_\_\_\_\_ advised that \_\_\_\_\_ told everybody he was dying of cancer. He claimed to have gone to doctor's appointments for treatment of his cancer. However, \_\_\_\_\_ did not want \_\_\_\_\_ to find out he had cancer. \_\_\_\_\_ also observed that, in spite of his alleged cancer, \_\_\_\_\_ smoked "like a freight train." \_\_\_\_\_ stated that, at the time she left CTI, she assumed \_\_\_\_\_ did not have cancer.

\_\_\_\_\_ stated that \_\_\_\_\_ was very close to \_\_\_\_\_. She recalled \_\_\_\_\_ regularly working with \_\_\_\_\_ in his office. \_\_\_\_\_ received an Audi automobile around the time CTI ceased operation.

\_\_\_\_\_ described RALPH TURNER as \_\_\_\_\_ "sidekick". TURNER died of a heart attack.

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\_\_\_\_\_ stated that she has not spoken with \_\_\_\_\_ since she worked at CTI in 1990. \_\_\_\_\_ advised that, toward the end of CTI's existence, \_\_\_\_\_ was not even coming in to CTI's offices to work. He was apparently working out of his apartment.

\_\_\_\_\_ stated that she thought OXFORD TECHNICAL INSTITUTE (OTI) was a security guard school. She had no further information about OTI.

## Memorandum



To : ADIC WMFO [redacted] (P)

Date 8/8/94

From : SA [redacted]

Subject: [redacted]

<b>Dates of Contact</b> <div style="display: flex; justify-content: space-between;"> <span>5/3/94</span> <span>b6</span> </div>		
<b>File #s on which contacted (Use Titles if File #s not available)</b> <div style="display: flex; justify-content: space-between;"> <span>46A-WF-179870, SUB UU</span> <span>b7C</span> </div> <div style="display: flex; justify-content: space-between; margin-top: 5px;"> <span></span> <span>b7D</span> </div>		
<b>Purpose and results of contact</b> <div style="margin-top: 10px;"> <input type="checkbox"/> NEGATIVE  <input checked="" type="checkbox"/> POSITIVE (See attached insert)  <input type="checkbox"/> STATISTIC         </div>		
<b>Description of Statistical Accomplishment</b>	<b>Title of Case</b>	<b>File No.</b>
<p>Information herein obtained confidentially; informant's name is not to be disclosed in a report or otherwise unless it has been decided definitely that this person is to be a witness in a trial or hearing.</p>		
<b>PERSONAL DATA</b> <div style="margin-top: 10px;"> 2 - WMFO (1 - [redacted])  (1 - 46A-WF-179870, SUB UU) </div>		

46A-WF-179870

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46A-WF-179870, SUB UU  
CWS:tlh

On May 3, 1994, [ ] provided SA [ ]  
[ ] with the following information:

Source informed that [ ] used to live at the corner of Grand and Wilson Streets in Middletown, Ohio. That house has been abandoned. Source recalled that [ ] purchased a house through the VETERAN'S ADMINISTRATION. Source advised that he/she saw [ ] at a Middletown grocery store about four months ago. Source stated that [ ] definitely knows where [ ] is located. [ ] was promised money by [ ] for helping to keep BOHECKER'S BUSINESS COLLEGE (BBC) afloat and to "burn" HENRY WHITESELL. [ ] was involved in deals with [ ] both before and after WHITESELL's death.

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Source advised that prior to WHITESELL's death, [ ] was trying to acquire WHITESELL's ownership interest in BBC.

Source informed that CAMBRIDGE TECHNICAL INSTITUTE (CTI) had surveillance conducted on [ ] after he filed a lawsuit against the Cleveland campus of CTI. The surveillance was possibly performed the FOX DETECTIVE AGENCY or [ ] brother, [ ]. Source informed that [ ] resides in Trenton, Ohio, and has a possible telephone number of [ ].

Source advised that [ ] was the Head of Financial Aid for all of CTI's schools. [ ] lives at [ ] Trenton, Ohio, telephone number [ ]. Source described [ ] as "very honest."

Source informed that [ ] has an address of [ ] Washington, D.C. 20024.

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Source advised that [ ] was a former instructor at CTI. [ ] can possibly be reached at [ ] Aurora, Indiana, telephone number [ ] was living with [ ] the Head Registrar for CTI.

Source informed that [ ]

[ ]  
[ ]  
[ ]

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/30/94

[redacted] was interviewed at the CRACKER BARRELL RESTAURANT off of Interstate 75 at Exit 115 in Lexington, Kentucky. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] furnished the following information:

[redacted] advised that she has an accounting degree from EASTERN KENTUCKY UNIVERSITY. In 1988, she was hired by CAMBRIDGE TECHNICAL INSTITUTE (CTI) to handle CTI's accounts payable.

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[redacted] interviewed with [redacted] who handled most of the bookkeeping and accounting work for CTI. [redacted] also talked to HENRY WHITESELL, the owner of CTI. After becoming employed with CTI, [redacted] handled the accounts payable, payroll taxes, checking account reconciliations, and disbursement accounts, including Guaranteed Student Loan (GSL) overage disbursements. [redacted] recalled that she initially did most of her work for BOHECKER'S BUSINESS COLLEGE (BBC), which was also owned by WHITESELL and [redacted] the President of CTI. At the end of 1988, [redacted] was laid off. [redacted] then handled CTI's corporate accounts, the GSL accounts, reconciliations, etc. In the course of her duties, [redacted] sometimes typed out checks. However, CTI's payroll checks were generated by the Automated Data Processing (AD) system. [redacted] advised that [redacted] and [redacted] sometimes typed checks.

[redacted] explained that CTI employees could make check requests to her. She kept a record of the check requests, which consisted of a document on which the requestor would list the amount of the check, the payee, the payee's address, and other similar information. The check requestor would have to provide his or her initials in order to sign out a check. [redacted] stated that she always tried to get a receipt or backup supporting document from the individual, who was requesting the check. However, [redacted] stated that she was not always successful in getting supporting documentation.

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Investigation on 8/8/94 at Lexington, Kentucky File # 46A-WF-179870 SUB UU

by SA [redacted] trs Date dictated 8/15/94

46A-WF-179870 SUB UU

Continuation of FD-302 of [REDACTED], On 8/8/94, Page 2

[REDACTED] was asked whether she was aware of payments by CTI or BBC to political figures. She could not recall observing any such checks. [REDACTED] commented that she reconciled CTI's bank statements every month "to the penny." CTI often wrote around 1000 checks per month. [REDACTED] reconciled the checks by numerical sequence. [REDACTED] stated that she generally did not look at the payees on the CTI checks, as it was all she could do to reconcile the approximately 1000 checks CTI generated each month. [REDACTED] would sometimes look at checks that she considered to be really large, such as ones for \$10,000 or more. [REDACTED] advised that these checks were usually transfers from other accounts. [REDACTED] did not recall seeing any checks payable to U.S. Congressman DONALD "BUZ" LUKENS. [REDACTED] commented that, due to the extremely high volume of checks written by CTI, checks payable to LUKENS could have easily passed through the accounts without her being aware of them.

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[REDACTED] was aware of telephone calls from LUKENS or LUKENS' office to CTI or vice versa. [REDACTED] advised that [REDACTED] was the receptionist for CTI and could probably provide more information about such calls.

[REDACTED] advised that, if [REDACTED] had wanted to obtain checks for his use, he would have gone to [REDACTED] with his check requests. [REDACTED] would have avoided [REDACTED] because he knew that she would question what he wanted the checks for.

[REDACTED] recalled seeing checks payable to Dr. [REDACTED]. She thought [REDACTED] was paid money for consulting services. [REDACTED] stated that she could not remember observing [REDACTED] doing any work for CTI or BBC. [REDACTED] could not recall the number of checks payable to [REDACTED] or the amounts of the checks. She advised that the checks to [REDACTED] could have been drawn on accounts of CTI, BBC or both.

[REDACTED] recalled seeing checks payable to [REDACTED] for consulting fees. [REDACTED] could not remember the number of checks payable to [REDACTED] or the amounts of the checks. The checks could have been drawn against accounts for CTI, BBC, or both. [REDACTED] stated that she assumed [REDACTED] was aware of the payments to [REDACTED] and [REDACTED].

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[REDACTED] advised that she was not involved with the financial aid program at CTI/BBC. [REDACTED] recalled checks written

46A-WF-179870 SUB UU

Continuation of FD-302 of [REDACTED], On 8/8/94, Page 3

on accounts for GSL funds. [REDACTED] did not remember there being problems with refunds of GSL monies.

[REDACTED] stated that she was not aware of improprieties at CTI or BBC concerning the recruitment of students and the acquisition of financial aid funds. [REDACTED] commented that she was not really privy to office gossip. She mentioned that most of the people in the office smoked and took breaks together. Since [REDACTED] did not smoke, she did not hang around the other office personnel. Thus, she missed out on most of the talk around the office.

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[REDACTED] advised that [REDACTED] made a "fine" salary through CTI and BBC. [REDACTED] prepared the 1989 W-2 forms for [REDACTED] and WHITESELL. At that time, [REDACTED] was earning approximately \$250,000 per year. WHITESELL was making about \$1 million. [REDACTED] was not aware of [REDACTED] receiving supplemental payments from the schools. [REDACTED] thought that [REDACTED] later bought a building in Middletown, Ohio, and rented it to BBC. [REDACTED] suggested that checks for the building rental might have been made payable to a realty company rather than to [REDACTED]. [REDACTED] believed that BBC, not CTI, was paying to rent [REDACTED] building. [REDACTED] commented that [REDACTED] was very interested in what happened with BBC, more so than CTI.

[REDACTED] was asked about the financial situation at CTI. [REDACTED] responded that, when she came back from maternity leave in June 1990, things were getting pretty bad. Balances in the bank accounts were getting low, and bills were not being paid on a timely basis. [REDACTED] described the overall financial policies at CTI as being somewhat chaotic. She commented that there was no control over purchases. Nobody shopped prices to try to get the lowest cost. No one oversaw what was going on with the purchases. [REDACTED] stated that CTI had a real high payroll, which she described as "outrageous". CTI made a lot of lease payments. [REDACTED] advised that, while she did not usually write checks payable to WHITESELL, she remembered lease payments to him for a building he owned in Dayton, Ohio. Sometimes the payments were made to WHITESELL in amounts of \$45,000, and sometimes he took a split payment.

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[REDACTED] advised that checks written by CTI and BBC had to be signed by either [REDACTED] or WHITESELL. They had stamps for the signatures of [REDACTED] and WHITESELL that they could

46A-WF-179870 SUB UU

Continuation of FD-302 of [REDACTED], On 8/8/94, Page 4

use if both were not available. [REDACTED] informed that [REDACTED] reviewed the checks written against the CTI and BBC accounts before the checks were sent out.

[REDACTED] was questioned about an audit of CTI conducted by the U.S. DEPARTMENT OF EDUCATION (DOE) during August 1990. [REDACTED] advised that she was working part-time at the time of the DOE audit. When [REDACTED] returned from maternity leave, she came back on a part-time basis, working only two to three days per week. While [REDACTED] was on maternity leave, [REDACTED] had quit working for CTI. As a result, there was nobody working in financial aid when the DOE auditors arrived. [REDACTED] recalled that the DOE auditors would call her at CTI's corporate office to get [REDACTED] to look for particular documents. [REDACTED] commented that she was not familiar with any of the records requested by the DOE auditors, except for checks that they requested. [REDACTED] recalled that she was asked to pull checks for GSL refunds and related items.

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[REDACTED] was asked about problems at CTI that came to light during the DOE audit. [REDACTED] thought that, due to [REDACTED] resignation, the postings and entries on financial aid records had not been kept up. [REDACTED] stated that she was not aware of CTI personnel altering records to deceive the DOE reviewers. [REDACTED] reiterated that she really had no knowledge of what the DOE was looking for. [REDACTED] stated that she had no knowledge of the creation of fake documents or the falsification of other records for submission to the DOE.

[REDACTED] advised that, shortly after the start of the DOE audit, WHITESELL sent her home. WHITESELL told her to just work at home the rest of the week. [REDACTED] stated that she did not mind being sent home. She did not want to have any involvement with the DOE audit, because she had nothing to do with financial aid at CTI. [REDACTED] worked on tax and payroll files while she was at home. [REDACTED] recalled that she returned to CTI's office the following Tuesday. [REDACTED] advised that she quit her employment with CTI around the first week of October 1990.

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[REDACTED] was asked about Pell Grant monies received by CTI. She responded that the Pell Grant funds were handled almost completely by CTI's financial aid department. Occasionally, [REDACTED] would get copies of deposit tickets for CTI'S Pell bank account.



46A-WF-179870 SUB UU

Continuation of FD-302 of \_\_\_\_\_, On 8/8/94, Page 5

\_\_\_\_\_ informed that, on days when she was not present, \_\_\_\_\_ handled the running bank balances for CTI. \_\_\_\_\_ reiterated that she only worked two or three days a week after her maternity leave. \_\_\_\_\_ stated that she had no knowledge of loans made to WHITESELL or \_\_\_\_\_ with funds of CTI or BBC.

\_\_\_\_\_ commented that CTI had a lot of leased automobiles. She did not recall CTI employees being given cars by CTI. \_\_\_\_\_ stated that she was definitely not given a car.

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\_\_\_\_\_ had no knowledge of \_\_\_\_\_ and WHITESELL creating fake invoices to draw additional money out of CTI.

\_\_\_\_\_ stated that she has no current contact with \_\_\_\_\_. The last time she saw \_\_\_\_\_ was probably September 1990. \_\_\_\_\_ commented that she hopes she never sees \_\_\_\_\_ again. \_\_\_\_\_ stated that, when she worked at CTI, she tried to avoid \_\_\_\_\_ whenever possible.

\_\_\_\_\_ informed that WHITESELL had a personal secretary named \_\_\_\_\_

\_\_\_\_\_ advised that she was born on \_\_\_\_\_ in Willowby, Ohio. She currently resides at \_\_\_\_\_, Lawrenceburg, Kentucky 40342, telephone number \_\_\_\_\_. \_\_\_\_\_ is a white female with a Social Security Account Number (SSAN): \_\_\_\_\_. \_\_\_\_\_ is presently a homemaker. Her husband, \_\_\_\_\_ is the controller for ARA SERVICES.

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WMFO 46A-WF-179870 SUB UU  
CWS:kyd

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The following investigation was conducted by Special Agent (SA) [ ] on the dates indicated:

On June 1, 1994, [ ] telephonically contacted SA [ ] at the WMFO FBI Office, Northern Virginia Resident Agency. [ ] advised that someone had "put a hit out on him." [ ] mentioned the names of Judge CARL D. CHARACTER and Sheriff GERALD T. MCFALL. [ ] thinks that CHARACTER and MCFALL have a murder contract out on him. [ ] also mentioned the name of MARSHA SCOTT, Deputy Assistant to President BILL CLINTON. [ ] advised that he is a street person in Cleveland, Ohio. [ ] stated that he would check his records for information on U.S. Congressman DONALD "BUZ" LUKENS and send any relevant information to the FBI.

On 6/4/94, [ ] left a message for SA [ ] that he had just been beaten up and was told to "leave the case alone." [ ] left a telephone number of [ ].

On 6/4/94, SA [ ] placed a call to telephone number (216) 861-5030, which is the number for LAKELAND LABOR TEMPORARY AGENCY (LLTA). The person who answered the phone advised that [ ] sometimes works for LLTA. SA [ ] left a message with LLTA for [ ] to call him. [ ] did not return the call.

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46A-WF-179870 Sub UU-156

The following investigation was conducted by Special Agent (SA) [ ] on 5/25/94:

[ ] nee [ ] was contacted at her place of employment, Office of Admission and Financial Aid, Kellogg Graduate School of Management, Northwestern University, 2001 Sheridan Road, Evanston, Illinois 60208, telephone number [ ] is the Associate Director of Financial Aid for the Kellogg Graduate School of Management. [ ] recalled that, while she was employed by the U.S. DEPARTMENT OF EDUCATION (DOE), she headed a review team that conducted an unannounced program review of CAMBRIDGE TECHNICAL INSTITUTE (CTI). The DOE became interested in CTI when it received a call from the LEGAL AID SOCIETY (LAS) of Cincinnati, Ohio. The LAS had filed a lawsuit against CTI for various improprieties at the school. [ ] also recalled that CTI had a very high default rate on student loans granted to its students. Additionally, the DOE was aware of complaints from students at CTI.

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[ ] remembered observing employees of CTI altering records to be furnished to the DOE reviewers. [ ] and her supervisor, [ ] went unexpectedly to the corporate office of CTI. CTI had been delaying the production of records to the DOE review team. [ ] and [ ] stood and watched as CTI employees "doctored" the records. [ ] stated that [ ] made the decision not to confront CTI officials about the obvious alteration of records.

[ ] stated that, during the review of CTI, [ ] the President of CTI, was pretending to be suffering from cancer. [ ] was allegedly going for chemotherapy treatments. However, [ ] observed [ ] smoking cigarettes. [ ] also commented that [ ] acted like a close friend to HENRY WHITESELL, the owner of CTI, until WHITESELL was murdered. After WHITESELL was killed, [ ] claimed that he did not know anything about the fraudulent activities at CTI. He blamed all of the improprieties on WHITESELL. [ ] believes [ ] knew exactly what was going on at CTI and participated in the conduct. She described [ ] as a "con man."

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[ ] advised that she conducted a review of BOHECKER'S BUSINESS COLLEGE (BBC) around June, 1991. She did not note any significant problems at BBC.

[ ] stated that she could explain the documents and work papers produced during the DOE's program review of CTI and her calculations of the losses caused to the U.S. Government by the fraud at CTI. However, [ ] informed that she is pregnant and will not be able to travel to Washington, D.C. until after her baby is born. Her due date is 9/7/94.



U.S. Department of Justice

Federal Bureau of Investigation

In Reply, Please Refer to  
File No. 46A-WF-179870 Sub UU

1900 Half Street  
Washington D. C. 20535  
August 30, 1994

Honorable [redacted]  
Chief of Staff  
House Bank Task Force  
Room 2117  
U. S. Department of Justice  
Washington, D. C. 20001

RE: BIG BOUNCE  
MAJOR CASE #55;  
FORMER CONGRESSMAN  
DONALD E. "BUZ" LUKENS

Dear Mr. [redacted]

The purpose of this letter is to confirm a conversation between you and Special Agent (SA) [redacted] on August 26, 1994. The facts concerning the above referenced matter were discussed, including the consensual use of non-telephonic monitoring equipment to intercept and record conversations in the referenced investigation. You concurred with the consensual use of a body recorder in the referenced investigation and stated that you did not believe there was any problem with entrapment. Thank you for your assistance in this matter.

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Sincerely yours,

ANTHONY E. DANIELS  
Assistant Director in Charge

[redacted]

By: [redacted]  
Supervisory Special Agent

1- Addressee  
2- WMFO (1 - 46A-WF-179870 Sub Y)  
1- 46A-WF-179870 Sub UU)  
CWS:les  
(3)

46A-WF-179870 Sub UU-158

*[Handwritten signature]*

## LIMITATIONS OF LIABILITY

Liability of AIRBORNE EXPRESS is limited on LETTER EXPRESS to \$100.00, unless a higher value is declared for carriage on our airbill. The maximum declared value on the LETTER EXPRESS is \$500.00. AIRBORNE EXPRESS shall not be liable in any event for special, incidental or consequential damages, including but not limited to loss of profits or income.

## SHIPMENT WEIGHT

The maximum acceptable weight for LETTER EXPRESS is one-half pound, or the equivalent of approximately forty 8 1/2" x 11" sheets of paper. If the gross weight of the envelope, contents, and airbill exceeds one-half pound, the shipment will be charged as one pound, or the actual weight.

## PRIVATE EXPRESS EXEMPTION

AIRBORNE EXPRESS customers are exempt from the Private Express Statutes pursuant to 39CFR320.6(c).

ATTACH THE AIRBORNE EXPRESS SHIPPERS LABEL WITHIN THE DOTTED LINES

<b>FROM</b> BOHECKERS BUSINESS COLLEGE 326 E. MAIN ST. AVENNA OH 44266		<b>ORIGIN</b> CAK
<b>TO</b> [REDACTED]		<b>AIRBORNE EXPRESS</b> 1248 JEP 1248 JEP 1248 JEP
<b>METHOD OF PAYMENT</b> (ASSUMED SENDER UNLESS OTHERWISE NOTED) <input type="checkbox"/> BILL SENDER <input type="checkbox"/> BILL RECEIVER Airborne Account No.		b6 b7C
<input type="checkbox"/> BILL 3RD PARTY <input type="checkbox"/> PAID IN ADVANCE Check No. Amount		
<b>BILLING REFERENCE</b> (WILL APPEAR ON INVOICE) 368		
<b>NO. OF PACKAGES</b> 1	<b>WEIGHT (LBS.)</b> 0.5	<b>CHECK IF</b> <input type="checkbox"/> LETTER EXPRESS <input type="checkbox"/> EXP. PACK
<b>SPECIAL INSTRUCTIONS</b> <input type="checkbox"/> SAT <input type="checkbox"/> HAA <input type="checkbox"/> LAB <input type="checkbox"/> SDS		
*5034495465* 		
THANK YOU FOR SHIPPING WITH AIRBORNE EXPRESS		

FOR UNITED STATES SHIPMENTS ONLY.

☐ SATURDAY DELIVERY

☐ HOLD AT AIRBORNE



HSAT



HHAA

TO ORDER SHIPPING SUPPLIES CALL 1-800-AIRBILL (1-800-247-2455)



Please do not show or give these (or copies) to anyone without my permission.



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b7C

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile

X AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 8/11/94

TO : SAC, WMFO (46A-WF-179870 SUB UU)

FROM : SAC, CINCINNATI (46A-WF-179870) (P)

SUBJECT : BIG BOUNCE;  
 MAJOR CASE #55;  
 OO:WMFO

Enclosed for WMFO are the photocopied contents of Airborne Express (AE) airbill [redacted]

On 8/3/94, [redacted] a former employee of the CAMBRIDGE TECHNICAL INSTITUTE (CTI), voluntarily provided 8 floppy diskettes of CTI records from the late 1980s. One diskette consists of checking information and the others are class lists. The Cincinnati Division will duplicate the diskettes and attempt to convert them into paper records.

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[redacted] also provided the contents of AE airbill [redacted] which was sent to him from BOHECKERS BUSINESS COLLEGE. This enclosure consists of a one page note from [redacted] and four 1991 affidavits of [redacted] and [redacted].

The Cincinnati Division will maintain the original diskettes and AE airbill contents until directed otherwise by WMFO.

2 - WMFO (Encl. 1)  
 2 - Cincinnati  
 REH:reh  
 (4)

UCFN	<input checked="" type="checkbox"/> Pos	<input type="checkbox"/> Neg
GENERAL INDEXES		
<input type="checkbox"/> Automated Search		
SEARCHED	<input type="checkbox"/> Pos	<input type="checkbox"/> Neg
SERIALIZED	<input type="checkbox"/> Pos	<input type="checkbox"/> Neg
Transmitted		
(Number)		(Time)

Approved: [signature]

Per [signature]

46A-WF-179870-160

SEARCHED [initials] INDEXED [initials]  
 SERIALIZED [initials] FILED [initials]  
 AUG 15 1994

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/29/94

[redacted] was interviewed at the BURGER KING restaurant at Race Street and West Fifth Street in Cincinnati, Ohio. After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] was born on [redacted] at Axson, Georgia. [redacted] Social Security Account Number (SSAN) is [redacted] is a black male. He resides at [redacted] Cincinnati, Ohio, telephone number [redacted] works for WITT CUSTOM GALVANIZING, which is located at 4454 Steel Place, Oakley, Ohio, telephone number [redacted] and has been so employed since 1992.

[redacted] advised that he started working at CAMBRIDGE TECHNICAL INSTITUTE (CTI) around 1984 or 1985. He was initially employed in custodial maintenance. At that time [redacted] was the messenger for [redacted] the owner of CTI. [redacted] left or was fired from CTI. [redacted] was then hired to be WHITESELL's messenger. [redacted] stated that he interviewed for the position with [redacted] the President of CTI, but was hired by [redacted] himself. [redacted] advised that, prior to his employment with CTI, he had been a student at CTI in the custodial maintenance program. b6 b7C

In his capacity as a messenger, [redacted] would run errands for WHITESELL. He would take payroll checks to the different CTI and BOHECKER'S BUSINESS COLLEGE (BBC) schools. He made deposits at banks for both CTI and BBC. [redacted] mentioned that WHITESELL was a "big time gambler." [redacted] would regularly transport packages for WHITESELL containing large sums of cash back and forth between Cincinnati and Franklin, Ohio. [redacted] sometimes took packages to a place in Kentucky or a club in Cincinnati. [redacted] did not recall handling such packages for [redacted] He commented that it was [redacted] job to run CTI and BBC. WHITESELL basically just focused on his gambling endeavors and talked on the phone to bookies. [redacted]

Investigation on 8/11/94 at Cincinnati, Ohio File # 46A-WF-179870 SUB UU

by SA [redacted] Date dictated 9/22/94 -160x1



46A-WF-179870 SUB UU

Continuation of FD-302 of [REDACTED], On 8/1/94, Page 2

stated that, if he was not doing an errand, he was supposed to be in the CTI corporate office to be available whenever WHITESELL needed him. If anyone else, including [REDACTED] wanted [REDACTED] to do anything for them, they had to get approval from WHITESELL. [REDACTED] advised that he sometimes transported books to the CTI and BBC schools at the direction of [REDACTED]

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[REDACTED] advised that he cashed checks for [REDACTED] on a few occasions. [REDACTED] was questioned about a specific \$7,500 check, dated May 1, 1990, drawn against one of CTI's accounts at FIFTH THIRD BANK (FTB) payable to [REDACTED]. The check was endorsed by [REDACTED] and [REDACTED]. One copy of the \$7,500 check is attached for incorporation herein. [REDACTED] recalled cashing the \$7,500 check for [REDACTED]. [REDACTED] said WHITESELL gave permission for him to cash the check for [REDACTED]. [REDACTED] recalled taking the check to a bank, probably FTB on Fountain Square in Cincinnati. After negotiating the \$7,500 check, he took the cash proceeds to [REDACTED]. [REDACTED] thought [REDACTED] may have been in WHITESELL's office when he delivered the cash to him. [REDACTED] did not know what [REDACTED] did with the cash. However, [REDACTED] recalled possibly being told that [REDACTED] was going on a vacation with his girlfriend, [REDACTED] and needed the cash for that purpose.

[REDACTED] identified his signature endorsement on the back of the aforementioned \$7,500 check. He confirmed that the number on the back of the check, PN 706264, was his driver's license number. [REDACTED] stated that, when he cashed checks for [REDACTED] and others, he would sometimes have to sign his name as an endorsement. [REDACTED] recalled that he sometimes had to get approval from a woman official at the bank in order to cash checks. He advised that WHITESELL had a good friend named [REDACTED] who worked at FTB. [REDACTED] described [REDACTED] as a thin lady with blond hair. WHITESELL and [REDACTED] would tell [REDACTED] to go to [REDACTED] to get approval to cash checks at FTB. [REDACTED] believed that he went to [REDACTED] and received approval from her to cash the \$7,500 check he negotiated for [REDACTED]. He thought that [REDACTED] probably wrote the "OK" notation on the back of the check. [REDACTED] did not know the meaning of the "EMP A/R CORP" notation on the front of the \$7,500 check.

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[REDACTED] remembered cashing checks for [REDACTED] on other occasions. He recalled cashing checks with other entities

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Continuation of FD-302 of [REDACTED], On 8/1/94, Page 3

listed as payees and providing the cash to [REDACTED]. Such checks would be endorsed with someone else's name (other than [REDACTED]). [REDACTED] recalled that some of the checks had notations indicating the payments were for repairs on school facilities. On one occasion, [REDACTED] cashed a large check for [REDACTED] that was allegedly for repairs on a building. When he cashed checks for [REDACTED] generally went to [REDACTED] for authorization to cash the checks per his directions from WHITESELL and [REDACTED]. After negotiating the checks, [REDACTED] would bring the cash back and give it to [REDACTED].

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[REDACTED] did not recall cashing checks for WHITESELL. He commented that WHITESELL always had a lot of cash on hand.

[REDACTED] was aware of DONALD "BUZ" LUKENS and knew that he was a Congressman from the Middletown, Ohio area. [REDACTED] advised that LUKENS used to call [REDACTED] frequently. Sometimes [REDACTED] would answer the phone when LUKENS called. [REDACTED] recalled that LUKENS would say, "This is Buz" and ask to speak with [REDACTED]. LUKENS would tell [REDACTED] that [REDACTED] would know who he was. If [REDACTED] was not available when LUKENS called, [REDACTED] would take a message. When [REDACTED] returned, [REDACTED] would give him the message. [REDACTED] recalled that he usually told [REDACTED] that he had received a call from "a guy named BUZ". [REDACTED] stated that [REDACTED] definitely knew who "BUZ" was. [REDACTED] advised that [REDACTED] would always call LUKENS right back. [REDACTED] would go into his office and call LUKENS on his private line. On some occasions when [REDACTED] could not take and relay a message, he would have [REDACTED] or [REDACTED] take the calls from LUKENS. [REDACTED] estimated that he answered calls from LUKENS for [REDACTED] on three or four occasions. He was not sure of the time frame of the calls, but believed they occurred from 1988 through 1990. [REDACTED] did not recall LUKENS ever coming to CTI's offices. [REDACTED] commented that he did not think WHITESELL knew LUKENS. He said that, whenever LUKENS called CTI, he always asked to speak to [REDACTED]. LUKENS never asked for WHITESELL.

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[REDACTED] advised that WHITESELL once had a party at his house for a politician. He could not recall the name of the politician, but he did not think it was LUKENS. [REDACTED] remembered the party, because WHITESELL had him pick up the alcoholic beverages for the occasion.

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Continuation of FD-302 of \_\_\_\_\_, On 8/1/94, Page 4

[redacted] was questioned about a program review conducted at CTI by the U.S. DEPARTMENT OF EDUCATION (DOE) during 1990. [redacted] remembered working a lot of hours while the review was going on. He recalled helping to sort records of CTI. WHITESELL had [redacted] working on CTI's books and records. [redacted] had a team of individuals working with him on the records. The team included [redacted] N, and [redacted] who [redacted] described as a good friend of [redacted] believed that they were changing records of CTI to be provided to the DOE reviewers.

[redacted] advised that [redacted] was the person giving all of the orders and in charge of everything during the DOE program review. He thought that WHITESELL was gone a lot of the time, possibly playing tennis with his son [redacted]. [redacted] recalled that [redacted] and [redacted] went back in [redacted] office, closed the door and worked back there. Sometimes [redacted] team would give [redacted] the name and SSAN of a CTI student and ask [redacted] to pull that student's file. Sometimes [redacted] team would have [redacted] bring them dinner. [redacted] commented that, when he would enter the room where [redacted] team was working, everybody would seem to stop what they were doing and get quiet. [redacted] got the impression that something secretive was going on in [redacted] office. [redacted] reiterated that he was suspicious that they were changing records to deceive the DOE. However, he did not ask many questions. [redacted] advised that on one occasion, HENRY WHITESELL asked him if [redacted] group worked on the records the previous night. [redacted] told him he did not know, because the door to [redacted] office had been closed.

[redacted] stated that he helped transport a large number of CTI records to an apartment in Fairfield, Ohio. They put the records in the garage of the unit. [redacted] also went to CTI's school in Cleveland, Ohio, and transported that school's records to the apartment in Fairfield. [redacted] informed that the records from CTI's corporate office were also moved to the Fairfield apartment, but that he did not assist with the transport of those records.

[redacted] advised that, soon after the DOE audit, WHITESELL gave him numerous boxes of documents and papers. WHITESELL directed [redacted] to burn or otherwise destroy the papers. [redacted] stated that something told him not to destroy

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Continuation of FD-302 of [REDACTED], On 8/1/94, Page 5

the papers, so he kept them. He eventually turned them over to Special Agent (SA) [REDACTED] of the Federal Bureau of Investigation (FBI) in Cincinnati, Ohio. The papers included check stubs, letters, ledger sheets, and other similar documents. [REDACTED] did not know whether [REDACTED] had any involvement with the attempted destruction of the documents.

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[REDACTED] informed that [REDACTED] had personal canvassers who would go out to student's homes to get signature endorsements on financial aid checks. [REDACTED] stated that he was aware of a number of individuals who did not intend to come to CTI and had told that to him [REDACTED] would still insist that signatures be obtained on financial aid checks for those students. [REDACTED] thought [REDACTED] canvassers would sometimes forge the individual's names on the checks if they could not locate the persons or persuade them to sign. [REDACTED] advised that [REDACTED] would pay bonuses to the canvassers for checks on which they obtained signature endorsements. He said that WHITESELL was not involved with the payment of such bonuses. Sometimes, [REDACTED] or WHITESELL would instruct [REDACTED] to drop off CTI canvassers at a particular location for the purpose of having the canvassers recruit students or obtain signature endorsements on financial aid checks. Later, they would call [REDACTED] to come and pick them up. [REDACTED] remembered that the first names of some of the canvassers were [REDACTED] and [REDACTED] but he could not recall their last names.

[REDACTED] recalled that CTI employees recruited prospective students out of welfare lines and other similar locations. At some point, they had to stop this practice, because CTI recruiters were photographed recruiting in such places. [REDACTED] also thought that CTI's recruiters would tamper with entrance tests of potential students to ensure they achieved passing scores. [REDACTED] advised that [REDACTED] would meet with CTI's canvassers himself to give them directions. [REDACTED] believed [REDACTED] probably told the canvassers to get students enrolled in CTI however they could without regard to the quality of the students. [REDACTED] based his knowledge of CTI's recruiting practices on conversations he overheard between the canvassers. [REDACTED] was not aware of WHITESELL meeting with CTI's canvassers.

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Continuation of FD-302 of \_\_\_\_\_, On 8/1/94, Page 6

\_\_\_\_\_ advised that, even though WHITESELL was the owner of CTI, \_\_\_\_\_ was really the person in charge. He stated that \_\_\_\_\_ would have known whatever was going on at CTI.

\_\_\_\_\_ remembered a CTI student going to the Legal Aid Society (LAS) with complaints against CTI. \_\_\_\_\_ advised that the student was later assaulted by a CTI canvasser named BOBBY.

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\_\_\_\_\_ stated that \_\_\_\_\_ used to come to CTI's offices, and he observed her at CTI on at least three occasions. \_\_\_\_\_ used to meet with WHITESELL and \_\_\_\_\_ in WHITESELL's office. \_\_\_\_\_ recalled putting checks in the mail to \_\_\_\_\_. He thought he sent the checks to an address in Virginia.

\_\_\_\_\_ recalled \_\_\_\_\_ coming to CTI's offices on three or four occasions. \_\_\_\_\_ would meet in WHITESELL's office with WHITESELL and \_\_\_\_\_. \_\_\_\_\_ was not aware of checks going to \_\_\_\_\_. \_\_\_\_\_ stated that he would go get lunches for everyone when \_\_\_\_\_ and/or \_\_\_\_\_ were visiting CTI.

\_\_\_\_\_ advised that WHITESELL had titled a BMW automobile in his \_\_\_\_\_ name. \_\_\_\_\_ had paid \$2,000 to WHITESELL for the vehicle through deductions from \_\_\_\_\_ paychecks. After WHITESELL was killed, his wife wanted the BMW back. \_\_\_\_\_ met WHITESELL's wife at the office of WHITESELL's attorney, \_\_\_\_\_. WHITESELL's wife paid \_\_\_\_\_ \$2,000 to compensate him for the money he had invested in the car. \_\_\_\_\_ signed the title of the BMW over to her. \_\_\_\_\_ commented that he did not feel right keeping a fancy car like the BMW, so he felt that signing the car over to WHITESELL's wife was the right thing to do.

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\_\_\_\_\_ informed that other CTI employees had company cars. He mentioned that \_\_\_\_\_ and \_\_\_\_\_ all had company cars.

\_\_\_\_\_ was questioned about an entity called OXFORD TECHNICAL SCHOOL (OTS). \_\_\_\_\_ recalled that OTS closed down about the time he started working for CTI. \_\_\_\_\_ had no

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Continuation of FD-302 of [REDACTED], On 8/1/94, Page 7

knowledge of an ownership transfer involving OTS. [REDACTED] stated that he only dealt with CTI and BBC.

[REDACTED] suspects that [REDACTED] may have had something to do with WHITESELL's death. However, he does not have evidence to prove his suspicions. [REDACTED] informed that [REDACTED] always kept a .38 or .44 caliber pistol in his desk.

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[REDACTED] stated that he had no knowledge of [REDACTED] allegedly suffering from cancer.

[REDACTED] advised that he has not seen or heard from [REDACTED] since WHITESELL was murdered. [REDACTED] stated that he did not receive his last paycheck from CTI. He tried to contact [REDACTED] to obtain his money. [REDACTED] never returned his calls.

[REDACTED] was served with a Federal Grand Jury subpoena to appear in Washington, D.C., and provide testimony.


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CAMBRIDGE TECHNICAL INSTITUTE  
20 GARFIELD PLACE, SUITE 640  
CINCINNATI, OHIO 45202

MAY 1 1990

PAY TO THE ORDER OF [REDACTED] MAY 1 1990


SEVEN THOUSAND FIVE HUNDRED AND NO/100'S DOLLARS

 THE FIFTH THIRD BANK  
FIFTH THIRD BANKING CENTER  
100 BANCORP SQUARE PLAZA CINCINNATI OH 45202

FOR DEPOSIT ONLY  
ENDORSE HERE

⑆028304⑆ ⑆042000314⑆ 790-24370⑆ ⑆000075000⑆

CAMBRIDGE TECHNICAL INSTITUTE  
*[Signature]*

Received from  THE FIFTH THIRD BANK

Withdrawn from [REDACTED]

DATE MAY 1 1990

Amount \$ 3,000.00

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ALL INFORMATION  
CONTAINED HEREIN IS UNCLASSIFIED

DATE 10/18/01 BY SP-10

ALL INFORMATION  
CONTAINED HEREIN IS UNCLASSIFIED

DATE 10/18/01 BY SP-10



- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/16/94

Special Agent [redacted] Federal Bureau of Investigation, Middletown Resident Agency, 6730 Roosevelt Avenue, Middletown, Ohio, was permitted to review the contents of six boxes of documents relating to the CAMBRIDGE TECHNICAL INSTITUTE (CTI), which had been voluntarily brought to the Middletown office of the FBI by [redacted]

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Using a blue magic marker, SA [redacted] randomly numbered each of the boxes. The boxes were inspected and their contents can be summarized as follows:

BOX 1 is a photocopy paper box bearing a "Universal Copy Paper" label on its side. On the box's lid was a "Wilcox Supply" label and the handwritten notation, "Boheckers 2 of 2." It contains three instructor's folders for their 120 Hour Private Security Training (PST) course for the periods of 10-12/86, 3-5/86 and 8-10/87; numerous individual PST student work folders and two student folders for [redacted] a non-PST student, containing his financial aid and transcript documentation.

BOX 4 is identical to the first but bears the handwritten notation, "Boheckers 1 of 2." It contains five instructor's folders for their 120 Hour PST course for the periods of 1-3/87, 10-11/87, 1-2/88, 3-5/88 and 7-9/89; numerous individual PST student work folders and numerous general student financial aid folders.

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BOX 2 bears a "Xerographic Copy Paper" label. It contains CTI employee expense vouchers - 1986-90; CTI employee insurance program information and claim submissions, 1986-90; CTI 1990 canceled checks and FNB Federal Pell Grant Statements, 1986-90.

BOX 3 is a Stor-All box bearing the handwritten notation "Middletown & Cambridge Student Files." It contains general student files from 1986-90 providing CTI applications, transcripts, placement information and some student loan information.

Investigation on 8/16/94 at Middletown, Ohio File # 46A-WF-179870 Sub UU

by SA [redacted] reh Date dictated 8/16/94

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Continuation of FD-302 of SA , On 8/16/94, Page 2

BOX 5 bears a "Main Street" label and the handwritten notation "Receipts and Past Bills." It contains PST instructor folders holding unused chapter quizzes and many individual PST student work folders.

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BOX 6 bears a "Holsing Lithograph" label. It contains student aid reports, 1985-86, as well as a folder labeled "People Who Never Entered."

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/16/94

[redacted] residing at [redacted]  
[redacted], was served with  
a Grand Jury subpoena issued on August 4, 1994, by the United  
States District Court, Washington, District of Columbia (D.C.).  
The subpoena requests [redacted] to appear to testify before the  
Grand Jury on [redacted] in Washington, D.C.

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Investigation on 8/16/94 at Middletown, Ohio File # 46A-WF-179870 Sub UU

by SA [redacted] reh Date dictated 8/16/94

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/16/94

[redacted], lawyer, whose office and residence is located at [redacted] Oxford, Ohio, telephone [redacted], appeared at the Middletown Resident Agency of the Federal Bureau of Investigation. He was advised of the identity of the interviewing agent and provided the following information:

[redacted] received six boxes of boxes containing records and correspondence of the CAMBRIDGE BUSINESS INSTITUTE (CTI) from [redacted] between 1989 and 1991 after the death of HENRY WHITESELL and the closing of CTI. [redacted] has never represented CTI, but he is civil counsel for BOHECKER'S BUSINESS COLLEGE and recently represented [redacted] before the Ohio Court of Appeals. [redacted] has never closely inspected the documents, which are maintained at his residence in Oxford, Ohio.

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[redacted] stated CTI original records were released to the U.S. Department of Education investigators several years ago. [redacted] does not know of their status or whether these particular documents were or were not included.

He reviewed the US Federal Grand Jury subpoena directing [redacted] to [redacted]

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[redacted] claimed to have never seen the document before. He admitted that most of the [redacted] would be pertinent to this subpoena.

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[redacted] voluntarily brought [redacted]

[redacted]

Investigation on 8/16/94 at Middletown, Ohio File # 46A-WF-179870 Sub UU -163

by SA [redacted] reh Date dictated 8/16/94

FBI

## TRANSMIT VIA:

☐ Teletype  
☐ Facsimile  
☒ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☐ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☐ UNCLAS

Date 8/16/94

C-9

TO : SAC, WMFO (46A-WF-179870 SUB UU)  
 FROM : SAC, CINCINNATI (46A-WF-179870) (MRA) (P)  
 SUBJECT : BIG BOUNCE;  
 MAJOR CASE #55;  
 OO:WMFO

ARMED AND DANGEROUS - SUBJECT CARRIES A HANDGUN

Enclosed for WMFO are the following:

1. The original and one copy of an FD-302 of the transcription of consensually monitored telephonic conversation between [ ] and [ ] on 6/2/94.

2. An FD-340 containing the original subpoena served on [ ] on 8/16/94 plus the original and one copy of an FD-302 reflecting service of the subpoena on [ ]

3. The original and one copy of an FD-302 documenting the interview of [ ] with an FD-340 containing interview notes.

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4. The original and one copy of an FD-302 documenting the results of a voluntary inspection of six boxes of CAMBRIDGE TECHNICAL INSTITUTE documents permitted on that day and an FD-340 containing the agent's notes made during the inspection.

2 - WMFO (Encl. 11) ns  
 2 - CI  
 REH:reh  
 (5)

46A-WF-179870 sub-164  
 SEARCHED [ ]  
 SERIALIZED [ ]  
 [ ]  
 [ ]  
 [ ]

Approved: \_\_\_\_\_ Transmitted \_\_\_\_\_ Per \_\_\_\_\_  
 (Number) (Time)

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/7/94

[redacted] was interviewed at the U.S. DEPARTMENT OF JUSTICE (DOJ) in Washington, D.C. Present during the interview were DOJ attorneys [redacted] and [redacted]. [redacted] was apprised of the identity of the interviewing Agent and the nature of the interview, and he voluntarily consented to be interviewed without the presence of counsel on his behalf. [redacted] then provided the following information:

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[redacted] was born [redacted] in Middletown, Ohio. [redacted] is a black male. His Social Security Account Number (SSAN) is [redacted]. [redacted] currently resides at [redacted] Drive, Middletown, Ohio, telephone number [redacted]. He works for POPE & ASSOCIATES, 1313 East Kemper Road, Sharonville, Ohio, telephone number [redacted]. [redacted] holds a college degree in psychology from the UNIVERSITY OF DAYTON, in Dayton, Ohio. He has a Masters Degree in Human Resources Development Management from WEBSTER UNIVERSITY in St. Louis, Missouri.

[redacted] graduated from the [redacted] around 1982. After graduation, he went to work for SOUTHWESTERN COLLEGE OF BUSINESS (SCB). When he applied for the job at SCB, he met [redacted] who interviewed him for the position. [redacted] was the Director of SCB. [redacted] taught math and English at SCB and also handled job placement for the school's graduates. While at SCB, [redacted] met HENRY WHITESELL, who worked at the school. [redacted] advised that the President of SCB was a man named [redacted]. [redacted] mentioned that SCB had some type of problem with the DEPARTMENT OF EDUCATION (DOE), and that the DOE came to SCB's premises and took records and files. [redacted] then had to operate SCB with his own money without the benefit of government financial aid. Teachers and employees were forced to work long hours and were not compensated with pay raises. [redacted] could not get an adjustment he requested to his work schedule, so he quit his employment at SCB. In 1983, [redacted] enlisted in the Army and served in the military until 1987. While in the Army, [redacted] served in various locations, including Fort Knox, El Paso, Texas, and England. [redacted] was honorably discharged from the service in 1987.

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Investigation on 8/24/94 at Washington, D.C. File # 46A-WF-179870, SUB UU  
by SA [redacted] Date dictated 8/31/94 -16489

46A-WF-179870 SUB UU

Continuation of FD-302 of [REDACTED], On 8/24/94, Page 2

Prior to his official departure from the Army, [REDACTED] was on leave from the service and was back in Middletown, Ohio. [REDACTED] and WHITESELL had left SCB and started their own school, CAMBRIDGE TECHNICAL INSTITUTE (CTI). [REDACTED] applied and obtained a job with CTI. His employment at CTI started around October 1987. [REDACTED] was employed in various capacities during his tenure with CTI. [REDACTED] was responsible for career development and job placement for all of CTI's schools, including CTI's campus in Cleveland, Ohio. For a period of time, [REDACTED] served as the Director of CTI's campus in Cincinnati, Ohio. [REDACTED] was also in charge of Cambridge Child Care (CCC), which provided child care for the children of CTI students. [REDACTED] did a stint as an admissions representative for CTI in Cincinnati. Toward the end of his employment with CTI, [REDACTED] worked in financial aid with [REDACTED]. [REDACTED] mentioned that the responsibilities in financial aid included sending Guaranteed Student Loan (GSL) checks back to lending institutions for students who were no longer attending CTI. During his time with CTI, [REDACTED] worked in Cincinnati, Dayton, and at CTI's corporate office which was located in Cincinnati. [REDACTED] left his employment at CTI in October, 1990.

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While he was working in financial aid at CTI, [REDACTED] was teaching [REDACTED] how to keep track of financial aid monies that needed to be sent back to banks and lending institutions by CTI. [REDACTED] also handled bookkeeping for student accounts and posted various charges to the accounts. [REDACTED] was involved in the distribution of Pell Grant funds and used attendance records to calculate Pell disbursements and refunds. [REDACTED] explained that CTI's individual schools would phone in their enrollments to the Financial Aid Office. The financial aid personnel would calculate the Pell Grant entitlements, and [REDACTED] would make requests for Pell monies. They would match up the schools' represented attendance with the financial aid monies received. [REDACTED] recalled that \$767 was a common figure for Pell Grants for CTI students per quarter. In addition to the foregoing duties, [REDACTED] handled reimbursements of funds owed to CTI students and typed the checks for such reimbursements. When [REDACTED] left CTI, [REDACTED] was still working in financial aid along with LORI [REDACTED]. [REDACTED] stated that he had been working with [REDACTED] for a couple of months when she quit.

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[REDACTED] advised that there were problems with CTI making refunds of GSL monies received for students who had dropped out

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Continuation of FD-302 of [REDACTED], On 8/24/94, Page 3

of CTI. [REDACTED] explained that, if a student did not meet certain attendance requirements, the student's GSL money was supposed to be sent back to the appropriate lending institution. [REDACTED] sometimes typed checks by which CTI was to make refunds of GSL funds. WHITESELL would not authorize refund checks to be sent to the lenders. [REDACTED] remembered seeing stacks of GSL refund checks which had not been sent out sitting in the work area between WHITESELL's office and the general office space. These checks represented GSL money that CTI had received but was not entitled to keep. [REDACTED] stated that when WHITESELL would approve refunds, they were made "very, very late." [REDACTED] believed some required refunds were not made at all. [REDACTED] remembered banks calling CTI and complaining about refunds not being made on a timely basis. Some banks apparently cut off CTI's privileges for obtaining GSLs for its students. [REDACTED] stated that CTI's problems involving GSL refunds had been going on for at least nine months at the time CTI ceased operations. [REDACTED] was very flustered about the situation. She was continually telling WHITESELL that the GSL refund checks needed to be sent, but the checks would not get sent out. [REDACTED] commented that everyone in the CTI corporate office knew that the GSL refund checks were not being sent back to the lending institutions. [REDACTED] stated that [REDACTED] had to know about the GSL refund problems as [REDACTED] would have informed him about the situation.

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[REDACTED] advised that CTI's students seemed to always have complaints about the reimbursements they received from CTI. They generally questioned the amounts of money they received from CTI.

[REDACTED] informed that the drawdowns of Pell Grant funds by CTI were based on figures for projected admissions of students. The CTI admissions representatives were then charged with getting a specified number of students enrolled to justify the Pell draws. [REDACTED] stated that there were discrepancies between Pell monies drawn and students who were actually in school. [REDACTED] believed CTI was altering Pell rosters to cover up improper Pell Grant draws. [REDACTED] stated that CTI did not make required refunds of Pell Grant funds for students who stopped attending CTI. [REDACTED] stated that WHITESELL, [REDACTED] and [REDACTED] knew about the problems involving the Pell Grants and the fact that refunds of Pell monies were not being made as required. [REDACTED] commented that everybody in CTI's corporate

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Continuation of FD-302 of [REDACTED], On 8/24/94, Page 4

office had knowledge of the improprieties involving the Pell Grants with the possible exception of [REDACTED]

[REDACTED] advised that [REDACTED] and WHITESELL each made "a lot of money" through CTI, although he could not provide specific dollar figures. They both had expensive houses and cars. [REDACTED] informed that WHITESELL had a large house in Hyde Park and owned Ferrari and Mercedes automobiles. [REDACTED] also had a nice house and drove an RX7 convertible automobile.

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[REDACTED] informed that he earned a salary of approximately \$30,000 from CTI. He would also possibly receive a Christmas bonus of \$500 or \$1,000. Additionally, [REDACTED] received a car allowance from CTI. He used his car allowance money to purchase a 1988 Renault Medallion automobile. [REDACTED] commented that just about everyone in the CTI corporate office received a car allowance.

[REDACTED] advised that he was in charge of CCC. Originally, CCC was operated by [REDACTED] wife, [REDACTED]. [REDACTED] wife got tired of running the child care business. The business also started to grow. [REDACTED] ex-wife got involved with CCC for a short time. [REDACTED] ex-wife's managerial style did not work well with CCC's employees. In 1989 [REDACTED] and WHITESELL persuaded [REDACTED] to take over CCC. WHITESELL told [REDACTED] that he would pay him \$700 per month if he [REDACTED] would do the payroll and put CCC in his name. CCC was a sole proprietorship, and [REDACTED] was intrigued by the idea of running his own business. Although [REDACTED] operated CCC, it was funded by CTI.

[REDACTED] incurred some financial and tax problems as a result of his ownership of CCC. [REDACTED] would make requests for money to cover expenses and pay the CCC employees. He would submit the requests to [REDACTED] (last name unknown) in the CTI corporate office. However, WHITESELL often would not send the money [REDACTED] needed to cover CCC's payroll and expenses in a timely manner. WHITESELL's delays in sending money got progressively worse over time. Because of the shortfall of money, [REDACTED] was not able to pay all of CCC's obligations. He elected to pay the wages of CCC's worker as they expected to be paid for the hours they worked. [REDACTED] wrote checks for such payments. [REDACTED] neglected to pay unemployment taxes and other such obligations required of CCC. The problem got to the point where

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Continuation of FD-302 of [REDACTED], On 8/24/94, Page 5

[REDACTED] was not able to meet CCC's payroll. Eventually, CCC ran up a debt of approximately \$40,000. [REDACTED] talked to WHITESELL and [REDACTED] about the financial troubles of CCC. [REDACTED] stated that [REDACTED] told him that he had gone to WHITESELL and "pled for money" on [REDACTED] behalf. [REDACTED] received a \$20,000 payment from WHITESELL. He sent the \$20,000 to the Internal Revenue Service (IRS) to cover tax obligations. WHITESELL also gave [REDACTED] an Audi automobile. [REDACTED] stated that [REDACTED] negotiated the sale of the car for him. [REDACTED] sold the car for about \$9,000. The sale took place approximately four to six months after [REDACTED] left CTI. [REDACTED] did not immediately provide [REDACTED] with the proceeds from the sale of the automobile. [REDACTED] stated that [REDACTED] has been giving him the money over time, and at the present time, has paid him around \$6,000. [REDACTED] thought he received approximately three payments of \$1,200 each from [REDACTED] soon after the sale of the car. [REDACTED] had an agreement with [REDACTED] whereby [REDACTED] was supposed to pay him \$1,200 per month until the obligation of approximately \$9,000 was satisfied. He did not receive any further payments until about two or three months ago when he received a \$3,000 check from [REDACTED] commented that he would see [REDACTED] from time to time and [REDACTED] would tell him that things were bad at BOHECKER'S BUSINESS COLLEGE (BBC), a proprietary school operated by [REDACTED]. Then, without any notice, [REDACTED] received the recent \$3,000 check from [REDACTED].

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[REDACTED] advised that he currently owes approximately \$37,000 to the IRS for liabilities related to CCC. The \$37,000 includes penalties and interest. The IRS threatened to garnish [REDACTED] wages to collect the debt. [REDACTED] recently entered into a payment plan through which he pays the IRS \$700 per month. The IRS apparently has a tax lien on [REDACTED] property. [REDACTED] reiterated that his problems with the IRS were caused by the fact that he used the limited funds provided by CTI to meet the CCC payroll rather than to pay taxes required by IRS regulations. [REDACTED] identified [REDACTED] as the IRS representative with whom he has been dealing. [REDACTED] telephone number is [REDACTED].

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[REDACTED] informed that CCC closed in June, 1990. When CCC closed, its account at FIFTH THIRD BANK (FTB) contained \$20,000. All of this money was eventually paid to the IRS. When [REDACTED] closed the FTB account, it had a balance of only about \$211. [REDACTED] advised that he handled the books and records of CCC with some assistance from accountant [REDACTED], possesses

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Continuation of FD-302 of [REDACTED], On 8/24/94, Page 6

a lot of the records pertaining to CCC. [REDACTED] stated that a significant number of CCC records were left behind with CTI and are missing.

[REDACTED] stated that he was aware of financial problems at CTI. He commented that CTI's creditors were "going ballistic" because they were not getting paid. [REDACTED] stated that there was "unquestionably misappropriation of funds" going on at CTI. [REDACTED] asserted that "everybody in the (corporate) office made more money" than he did.

[REDACTED] discussed student recruiting practices used by CTI. The recruitment of students was considered to be an extremely important part of CTI's operation. [REDACTED] and WHITESELL would set goals for the numbers of students that needed to be recruited for each of CTI's campuses. The target numbers were calculated by [REDACTED] and WHITESELL. [REDACTED] recalled meetings of CTI's Campus Directors and Directors of Admission, which focused on the recruitment of students. [REDACTED] presided over these meetings. [REDACTED] remembered the slogan "asses in classes" being used to describe CTI's policy of aggressively recruiting students to come to its schools. [REDACTED] recalled that both [REDACTED] and WHITESELL probably used the statement "asses in classes" in his presence.

[REDACTED] advised that CTI used a practice called "canvassing" to recruit students to its schools. Canvassing involved having CTI representatives pass out flyers and attempt to recruit individuals from locations such as welfare lines and unemployment offices. The canvassers reported to [REDACTED] WHITESELL, and CTI's other admissions people. [REDACTED] stated that CTI canvassers were paid bonuses based on the number of students they recruited who enrolled at CTI. [REDACTED] thought the bonus policy was probably initiated by WHITESELL but with the knowledge of [REDACTED] advised that, at some point, canvassing was banned, and CTI was supposed to stop flyer passing at certain locations. [REDACTED] stated that [REDACTED] knew about the illegal canvassing being done by CTI recruiters. [REDACTED] informed that CTI also recruited students via telemarketing.

[REDACTED] informed that CTI used the Wonderlick examination to test prospective students. [REDACTED] recalled hearing rumors that someone had stolen the admissions test, and that information from the test was being given to applicants to

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Continuation of FD-302 of [REDACTED], On 8/24/94, Page 7

help them qualify for admission. [REDACTED] commented that the aptitudes of some of CTI's students were not up to the level expected of students at post-secondary schools. [REDACTED] advised that if students attended class into the third week of the term, they became eligible to receive a reimbursement check from CTI. [REDACTED] commented that people usually left after getting their check from CTI. [REDACTED] informed that the placement rate for CTI's graduates was around 75 percent. [REDACTED] stated that he was not aware of admissions representatives being told to "fudge" entrance exam scores to allow unqualified students into CTI. However, he remembered there being a rivalry between CTI's Education Department and Admissions Department. The rivalry was created by the fact that the admissions branch was mainly concerned with achieving large numbers of recruits, without regard to the quality of the students. The education people were then tasked with dealing with the recruited individuals, many of whom were not capable students. [REDACTED] advised that [REDACTED] knew about the recruiting problems at CTI.

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[REDACTED] stated that CTI highly valued its admissions program. He advised that a "marketing guy" named [REDACTED] (last name unknown) made \$100,000 on his job. CTI's last Director of Admissions was [REDACTED] stated that [REDACTED] was paid based on the number of student enrollments he generated for CTI.

[REDACTED] advised that the Legal Aid Society (LAS) in Cincinnati, Ohio, brought a lawsuit against CTI. One of the major issues of the suit focused on illegal recruiting practices perpetrated by CTI. [REDACTED] was aware that the LAS lawsuit was costing CTI a lot of money in the form of attorneys' fees, legal costs, etc. [REDACTED] mentioned that CTI had other legal problems in addition to the LAS lawsuit.

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[REDACTED] was asked about any financial relationships CTI had with representatives of regulatory agencies. [REDACTED] identified [REDACTED] as CTI's contact person with the Accrediting Council for Continuing Education & Training (ACCET). [REDACTED] was dealing with [REDACTED] and/or WHITESELL. [REDACTED] acted as a counselor and handled questions about CTI's accrediting package.

[REDACTED] stated that [REDACTED] of the Ohio State Board of Education was a "thorn in the side" of CTI. [REDACTED] or her investigators would drop in unannounced to observe CTI's

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Continuation of FD-302 of [REDACTED], On 8/24/94, Page 8

recruiting practices. Board representatives would go undercover to CTI's locations in Cincinnati and Dayton, Ohio, to watch CTI recruiters. [REDACTED] stated that [REDACTED] was responsible for the ban against canvassing. [REDACTED] recalled conversations involving [REDACTED] and WHITESELL during which they complained that it was unfair to not allow CTI to do canvassing to recruit students. [REDACTED] commented that there were not a lot of "terms of endearment" between [REDACTED] and [REDACTED] and WHITESELL.

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[REDACTED] advised that [REDACTED] was "like a consultant to proprietary schools" to help with their accreditation. [REDACTED] observed [REDACTED] at CTI very infrequently, about once every six months. [REDACTED] would meet with [REDACTED] and WHITESELL. [REDACTED] recalled that [REDACTED] was retired from the Air Force and had been part of the Negro Squadron. [REDACTED] had a Doctorate Degree in education. [REDACTED] stated that [REDACTED] loved to golf. [REDACTED] recalled seeing [REDACTED] wearing a camel hair sports coat and brown pants on one of his visits to CTI.

[REDACTED] was questioned about a program review conducted at CTI by the U.S. DOE during August, 1990. [REDACTED] thought the review might have had something to do with the legal problems CTI was experiencing. [REDACTED] believed that he learned of the program review by being told about it by [REDACTED] and/or WHITESELL. [REDACTED] recalled that the DOE reviewers were interested in looking at attendance cards, student grade records, student enrollment records, and financial aid records among other various documents and records. He also remembered that the DOE wanted to compare CTI master rosters to drawdowns of student aid monies.

[REDACTED] was asked whether CTI records were altered or changed before being provided to the DOE reviewers. [REDACTED] stated that master rosters were changed. He advised that TERI [REDACTED] was responsible for matching information on Pell rosters with drawdowns made by CTI of Pell Grant funds. [REDACTED] stated that CTI employees were working around the clock at CTI's corporate headquarters to "fix up" records for the DOE reviewers. [REDACTED] remembered that he, [REDACTED] and [REDACTED] worked together during this time. [REDACTED] stated that the objective was to make CTI's education and admissions records "look like they were supposed to." WHITESELL also wanted the records to be made to look authentic in spite of the alterations and changes performed by CTI personnel. [REDACTED] commented that CTI employees regularly worked overnight to generate the records

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Continuation of FD-302 of [REDACTED], On 8/24/94, Page 9

requested by the DOE reviewers. [REDACTED] also remembered [REDACTED] in [REDACTED] office working on a computer program for the DOE review.

[REDACTED] stated that, at some point during the DOE program review, things "started to get real crazy". [REDACTED] recalled a scheme to make WHITESELL believe that records were being changed. [REDACTED] remembered that CTI records were moved out of CTI's corporate headquarters for storage in an apartment in Fairfield, Ohio. Someone had to be at the apartment all the time to basically guard the records. They were afraid WHITESELL would try to destroy the records being stored at the apartment in Fairfield. [REDACTED] identified himself, [REDACTED] and possibly [REDACTED] as being involved in the scheme to deceive WHITESELL.

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[REDACTED] was questioned about a meeting held at CTI's corporate office in Cincinnati after the DOE reviewers arrived to perform the above-stated program review. [REDACTED] recalled receiving a call to come immediately to CTI's corporate headquarters for something like a directors meeting. [REDACTED] remembered that [REDACTED] and WHITESELL met privately for awhile while he, [REDACTED] and possibly [REDACTED] waited. Then [REDACTED] or WHITESELL came out and talked to them. [REDACTED] could not remember which one spoke to them. [REDACTED] or WHITESELL informed them that the DOE was doing some type of audit. Some numbers on CTI's records were "out of sync." [REDACTED] or WHITESELL wanted [REDACTED], and possibly [REDACTED] to "make it (the problem) right."

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[REDACTED] recalled a discussion he had with [REDACTED] during which he said he was not going to change records for the DOE review. During the conversation [REDACTED] told him that he [REDACTED] had already contacted authorities with the DOE and the Federal Bureau of Investigation (FBI) about WHITESELL stealing financial aid monies. [REDACTED] said he was currently working with the DOE and FBI against WHITESELL. [REDACTED] told [REDACTED] that they were not going to change original records. However, [REDACTED] asserted that it was necessary for them to create "dummy" files to make WHITESELL believe that they were going along with his plan to cover up the fraud at CTI. [REDACTED] was not sure of the time frame in which he had the foregoing discussion with [REDACTED] stated that [REDACTED] could have told him he had contacted law enforcement authorities

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Continuation of FD-302 of \_\_\_\_\_, On 8/24/94, Page 10

a few days after the beginning of the program review and the time they started creating false records to deceive the DOE.

\_\_\_\_\_ stated that "dummy" records were created by CTI employees. The records were given to WHITESELL and \_\_\_\_\_ for submission to the DOE reviewers. \_\_\_\_\_ worked in a group creating false records that included himself, \_\_\_\_\_, and possibly \_\_\_\_\_. \_\_\_\_\_ stated that he personally generated some fictitious records himself. He stated that he created student attendance cards, putting students' names and alleged dates of attendance on the cards. \_\_\_\_\_ was asked where he obtained the information to create the new attendance cards. He could not specifically recall but speculated that he must have taken information from some other records to generate the new records. He thought they were creating the attendance records from information on ledger sheets. \_\_\_\_\_ commented that it was important to reconcile the records to agree with whatever had been reported to the government regarding financial aid draws, etc.

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\_\_\_\_\_ advised that they worked at CTI's corporate headquarters for a period of time creating fictitious documents. \_\_\_\_\_'s team of himself, \_\_\_\_\_ and possibly \_\_\_\_\_ worked there as did WHITESELL's team, which included \_\_\_\_\_. At some point, records were moved to the Fairfield Apartment, and \_\_\_\_\_ group began working out there. On one occasion, WHITESELL came out to the apartment to see what was going on. \_\_\_\_\_ stated that \_\_\_\_\_ fooled WHITESELL by showing him a computer program. \_\_\_\_\_ stated that he never met any of the DOE reviewers nor did he take documents to them. \_\_\_\_\_ commented that he did not worry about where the records they created were going.

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\_\_\_\_\_ identified \_\_\_\_\_ as the lawyer \_\_\_\_\_ was in contact with regarding working with the FBI and DOE to turn in WHITESELL for fraud. \_\_\_\_\_ recalled that \_\_\_\_\_ was based in Washington, D.C.

\_\_\_\_\_ was shown a copy of two-page document entitled "Chronology of Events By \_\_\_\_\_." One copy of this document (hereinafter referred to as the affidavit) is attached for incorporation herein. \_\_\_\_\_ reviewed the affidavit. He stated that he did not write or type the document. \_\_\_\_\_ verified his signature on the affidavit but did not recall

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Continuation of FD-302 of [REDACTED], On 8/24/94, Page 11

[REDACTED] reading or signing the document. [REDACTED] advised that the only time he could have done the affidavit would have been on a weekend. When asked why it was necessary for him to sign an affidavit, [REDACTED] responded that he recalled [REDACTED] saying something to the effect of, "We all need to do some type of document" or, "We have to do these affidavits." [REDACTED] stated that he did not go to Washington, D.C. to do the affidavit. [REDACTED] recalled meeting [REDACTED] but could not remember working with him on the affidavit. [REDACTED] had a very vague memory of a meeting at [REDACTED] house in which [REDACTED] was present and possibly [REDACTED].

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[REDACTED] advised that his affidavit contains inaccurate information. [REDACTED] informed that he was hired by CTI in 1987 rather than 1988, and he was not hired as a Vice-President. In [REDACTED] affidavit, it states that WHITESELL told them that he had made inappropriate drawdowns of Pell Grant monies and needed them to fix the records. [REDACTED] stated that he was unsure who told him that WHITESELL had made inappropriate drawdowns necessitating that records be fixed. He could have been told by [REDACTED] WHITESELL, or the message could have been relayed to him. In [REDACTED] affidavit, it gives the impression that [REDACTED] had just been informed of WHITESELL's inappropriate drawdowns of financial aid funds. [REDACTED] advised that this statement was inaccurate. [REDACTED] stated that [REDACTED] had to have known of the problems, because [REDACTED] would have told him several months earlier about CTI's failure to make refunds of Pell Grant monies and GSLs on a timely basis. [REDACTED] additionally stated that had he written the affidavit himself, he would not have used the formal language and phrases such as "do hereby make these statements."

[REDACTED] was questioned about the statement in his affidavit where it states that [REDACTED] told him that he had contacted a lawyer in Washington, D.C., and planned to turn WHITESELL in. [REDACTED] stated that his understanding was that the plan was to ultimately turn in WHITESELL. When asked why they did not just turn in WHITESELL immediately, [REDACTED] responded that [REDACTED] did not think the law enforcement authorities would have believed he [REDACTED] was innocent if he had turned WHITESELL in right away.

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[REDACTED] was asked about the statement in his affidavit which says that [REDACTED] asked [REDACTED] to help him in a "sting"



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Continuation of FD-302 of [REDACTED], On 8/24/94, Page 12

type operation until WHITESELL was arrested. [REDACTED] stated that it was his impression that [REDACTED] had talked to a lawyer, was going to talk to a lawyer, or had possibly talked to the FBI or DOE. One of those sources supposedly advised [REDACTED] to handle the situation by operating a "sting" against WHITESELL. [REDACTED] remembered [REDACTED] and [REDACTED] flying someplace like South Dakota for a meeting with law enforcement authorities.

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[REDACTED] acknowledged that he was interviewed by the FBI in 1991 about CTI. He was advised that the date of the interview was April 1, 1991 as documented by a report of the interview. [REDACTED] signed the aforementioned affidavit on April 29, 1991. [REDACTED] stated that he could not recall any connection between the FBI interview and the affidavit. [REDACTED] said he probably talked with [REDACTED] about the FBI interview. [REDACTED] stated that he would have told [REDACTED] what the FBI asked him during the interview and what his responses were. [REDACTED] did not remember that his interview with the FBI necessitated the preparation of the affidavit.

[REDACTED] advised that he was contacted by a reporter for the CABLE NEWS NETWORK (CNN) who wanted to talk to him about CTI. CNN interviewed [REDACTED] in Ohio. [REDACTED] was around when [REDACTED] was interviewed, as were [REDACTED] and [REDACTED]. [REDACTED] claimed that he could not recall [REDACTED] giving him any guidance regarding what to say to the CNN reporter. [REDACTED] maintained that what he said on the CNN report was true to the best of his recollection.

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[REDACTED] was asked about the murder of WHITESELL. [REDACTED] stated that he was shocked by the murder. [REDACTED] described WHITESELL as a fun-loving person who liked tennis, travelling, and was generally a good guy.

[REDACTED] stated that [REDACTED] was the individual responsible for operating CTI. [REDACTED] was the person who was the most familiar with the operation of CTI. [REDACTED] advised that [REDACTED] had to clear almost everything through WHITESELL. [REDACTED] stated that [REDACTED] was the CTI official with whom he [REDACTED] dealt the most.

## Memorandum



To : ADIC ADIC, WMFO [redacted] (P) Date 8/29/94

From : SA [redacted] (C -9)

Subject: [redacted]

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Dates of Contact		
5/24/94		
File #s on which contacted (Use Titles if File #s not available)		
46A-WF-179870 SUB UU		
Purpose and results of contact		
<input type="checkbox"/> NEGATIVE <input checked="" type="checkbox"/> POSITIVE (See attached insert) <input type="checkbox"/> STATISTIC		
Description of Statistical Accomplishment	Title of Case	File No.
Information herein obtained confidentially; informant's name is not to be disclosed in a report or otherwise unless it has been decided definitely that this person is to be a witness in a trial or hearing.		
PERSONAL DATA		
2 - WMFO (1 - [redacted]) (1 - 46A-WF-179870, SUB UU)		

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WMFO 46A-WF-1790870 SUB UU  
CWS:trs

On May 24, 1994, [ ] furnished the following  
information to SA [ ]

Cooperating Witness (CW) stated that he had tried to  
contact [ ] over the previous weekend. [ ] was not  
around his residence at the times CW attempted to contact him.  
CW described [ ] as a "ladies man," and said that it was not  
unusual for [ ] to be gone over the weekend.

CW suggested that [ ] might have spoken with [ ]  
[ ] He/she indicated that if [ ] is still owed money  
by [ ] he may have contacted [ ] when he  
received inquiries from the FBI.

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**Subject:**

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WMFO 46A-WF-179870 SUB UU  
CWS:trs

On May 19, 1994, [ ] provided the following  
information to SA [ ]

Cooperating Witness (CW) advised that [ ]  
a former employee of CAMBRIDGE TECHNICAL INSTITUTE (CTI), may be  
wary about talking to the FBI. [ ] may be scared about the  
situation. CW believes that if [ ] is interviewed by the FBI,  
he [ ] will tell the truth.

CW stated that [ ] stayed in contact with [ ]  
[ ] after the demise of CTI. CW indicated that [ ]  
may notify [ ] if he is contacted by the FBI.

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## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/29/94

[ ] was telephonically contacted at his/her place of employment. After being apprised of the identity of the interviewing agent and the nature of the interview, the cooperating witness (CW) furnished the following information:

CW advised that he/she had talked to [ ] a former employee of CAMBRIDGE TECHNICAL INSTITUTE (CTI), about an audit of CTI which was conducted by the U.S. DEPARTMENT OF EDUCATION (DOE) during August 1990. [ ] recalled the auditors coming to CTI's campus in Dayton, Ohio. The DOE reviewers wanted to pull CTI's files and start the audit that day. [ ] called HENRY WHITESELL, the owner of CTI, about the situation. WHITESELL would not allow the auditors to see any of the files. [ ] recalled that the DOE auditors left CTI's Dayton campus and went to CTI's campus in Middletown, Ohio, and to the corporate headquarters of CTI in Cincinnati, Ohio.

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During the DOE audit of CTI in August 1990, CW worked at CTI's corporate office. For a period of time, CTI personnel, at the direction of [ ] participated in a scheme to alter student records for the purpose of deceiving the DOE reviewers. After several days, [ ] told CW, [ ] and [ ] that he was going to go to law enforcement authorities and report what was going on at CTI. [ ] was going to implicate WHITESELL as being responsible for the misappropriation of financial aid monies by CTI. [ ] was supposed to ask for immunity for CW, [ ] and [ ] CW stated that, at some time after [ ] had allegedly contacted law enforcement officials, [ ] brought in a CTI master attendance roster to be changed. [ ] directed that the roster be changed.

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CW advised that during the operation of CTI, virtually all of CTI's students received Guaranteed Student Loans (GSL). Often, students failed to show up for class or dropped out before endorsing their GSL checks. CW stated that HENRY WHITESELL would send recruiters out to find the students and get them to sign the

Investigation on 5/6/94 at Falls Church, VA File # 46A-WF-179870 SUB UU

by SA [ ] :trs Date dictated 5/13/94

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Continuation of FD-302 of [REDACTED], On 5/6/94, Page 2

checks over to CTI. In many instances, the recruiters would simply forge the students' endorsements on the checks and bring them back to CTI. Recruiters were paid bonuses of \$25.00 to \$50.00 for every check on which they obtained an endorsement. CW stated that it was common knowledge that CTI personnel were being sent out to obtain endorsements on GSL checks for students who were no longer attending classes, and that the CTI employees were often forging signatures on the checks. CW stated that [REDACTED] definitely had knowledge of the aforementioned practices that were commonplace at CTI.

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CW advised that CTI had a machine which would produce identification cards. [REDACTED] and WHITESELL had a false CTI identification card made for [REDACTED] brother, [REDACTED]. They would write checks payable to the fictitious identity named on the card. [REDACTED] would take the checks to a check cashing place that would accept CTI identification cards as valid identification. There, he would negotiate the checks and bring the money back to WHITESELL and [REDACTED]. CW explained that the above-stated scheme was a way for them to obtain a little more money out of CTI. CW

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

CW informed that during the summer of 1990 prior to the DOE audit, [REDACTED]

[REDACTED]

[REDACTED]

CW recalled [REDACTED] saying something to the effect of, "Henry's been stealing from me for a long time. Why can't I steal from him?"

CW stated that a few weeks before WHITESELL's death, WHITESELL seemed to become very paranoid. WHITESELL would not walk out to his car without having someone with him.

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CW advised that [REDACTED] was at the CTI corporate office the night WHITESELL was killed. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



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Continuation of FD-302 of [REDACTED], On 5/6/94, Page 3

After WHITESELL was murdered [REDACTED] asked CW on numerous occasions whether he/she (CW) thought [REDACTED] had WHITESELL killed. CW thought it was unusual that [REDACTED] would repeatedly ask him/her such questions. CW believes [REDACTED] had something to do with WHITESELL's murder, since he was the only one who had anything to gain by WHITESELL's death.

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CW informed that when [REDACTED] allegedly had cancer, WHITESELL attempted to set up an agreement for transfer of the stock of CTI and BOHECKER'S BUSINESS COLLEGE (BBC). Whoever died first, the other one would receive their stock in the schools. [REDACTED] told CW the foregoing information sometime after the DOE audit.

CW advised that CTI was sued by the Legal Aid Society (LAS) in Cincinnati, Ohio. When [REDACTED], of the LAS, conducted a public meeting, [REDACTED] RALPH TURNER, [REDACTED] [REDACTED] went to a bar across the street and watched students who went into and out of the LAS office. CW stated that WHITESELL "constantly" had someone watching the LAS location. [REDACTED] and WHITESELL talked about putting stink bombs in the LAS office and taking other similar actions against the LAS. CW did not believe that anyone was watching the LAS location around the time of the DOE audit in August 1990. CW indicated that the LAS suit had been settled by that time, and there was no reason to watch the LAS office then.

CW informed that WHITESELL had entered into an agreement to shut down CTI and close its campuses. After he negotiated the agreement, WHITESELL tried to take as much money and assets as he could out of CTI. CW stated that WHITESELL did not count on the audit by DOE.

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CW advised that around the time of the DOE audit, [REDACTED] set up an office in an apartment complex and started working primarily out of that location. CW identified the apartment complex as The Oaks, which was located off of Woodbridge Drive in Fairfield, Ohio.

CW mentioned that [REDACTED] and WHITESELL were trying to "get on the good side" of [REDACTED] who was the head of the State Board of Proprietary School Registration (SBPSR) in Ohio. [REDACTED] and WHITESELL were trying to get [REDACTED] (who

WMFO 46A-WF-179870 SUB UU

Continuation of FD-302 of [REDACTED], On 5/6/94, Page 4

CW described as the local "stud") to take her out. CW did not know whether anything materialized out of those attempts.

CW informed that [REDACTED] had accounts at two banks, the PROVIDENT BANK and possibly the NATIONAL CITY BANK in Ravenna, Ohio. CW overheard a telephone conversation between [REDACTED] and a bank president. The bank president insinuated that [REDACTED] was kiting checks. The bank had apparently sent [REDACTED] a letter to that effect. During the telephone conversation, [REDACTED] denied any kiting activity and acted insulted that the bank official would make such accusations. When [REDACTED] got off the telephone, he admitted to CW that he was actually participating in kiting activity.

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CW identified CTI's accountant as [REDACTED]. He/she described [REDACTED] as "pretty straight-up." [REDACTED] continued to employ [REDACTED] as the account for BBC.

CW informed that the CLEVELAND PLAIN DEALER newspaper ran a series of articles on CTI.

# Memorandum



To : SAC ADIC, WMFO	(P)	Date 9/12/94
---------------------	-----	--------------

From : SA SA

**Subject:**

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<b>Dates of Contact</b> <div style="text-align: center; margin-top: 10px;">5/31/94</div>		
<b>File #s on which contacted (Use Titles if File #s not available)</b> <div style="margin-top: 10px;">46A-WF-179870, SUB UU</div> <div style="margin-top: 10px;"> </div> <div style="margin-top: 10px;"> </div> <div style="margin-top: 10px;"> </div> <div style="margin-top: 10px;"> </div>		
<b>Purpose and results of contact</b> <div style="margin-top: 20px;"> <input type="checkbox"/> NEGATIVE  <input checked="" type="checkbox"/> POSITIVE  <input type="checkbox"/> STATISTIC         </div>		
<b>Description of Statistical Accomplishment</b>	<b>Title of Case</b>	<b>File No.</b>
<div style="margin-top: 100px;">           Information herein obtained confidentially; informant's name is not to be disclosed in a report or otherwise unless it has been decided definitely that this person is to be a witness in a trial or hearing.         </div>		
<b>PERSONAL DATA</b>		

246A-WF-179870

no. no.

CWS/CWS  
(3 - WMFO)

(1) 46A-WF-179870, SUB UU  
(1) [REDACTED]  
(1) [REDACTED]

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/3/94

[redacted] was telephonically contacted at his/her place of employment. After being advised of the identity of the interviewing Agent and the nature of the interview, the Cooperating Witness (CW) furnished the following information:

CW advised that, at around 3:15 p.m. on 5/31/94, he/she received a telephone call from [redacted] contacted CW regarding an investigation of him [redacted] by the FEDERAL BUREAU OF INVESTIGATION (FBI). [redacted] told CW that the FBI had been trying to get in touch with [redacted] a former employee of CAMBRIDGE TECHNICAL INSTITUTE (CTI). [redacted] said he wanted to let CW know that the FBI might try to contact him/her (CW). [redacted] suggested that CW did not have to talk to the FBI.

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[redacted] told CW that the FBI was pursuing him for bribing former U.S. Congressman DONALD "BUZ" LUKENS. [redacted] admitted that he had written a check to LUKENS. He claimed the payment was a loan. [redacted] maintained that LUKENS was about to lose his apartment and needed the money. [redacted] said the FBI had asked him why he did not get a promissory note to document the payment to LUKENS. [redacted] said he did not think he needed one.

[redacted] suggested that CW did not know anything about his association with LUKENS. CW told [redacted] that he/she recalled meeting LUKENS with [redacted] at a B.P. STATION. CW also mentioned that [redacted] had contacted LUKENS on his/her behalf to attempt to effect a change on his/her (CW's) military record. CW said that he/she was aware of approximately four or five CTI checks payable to LUKENS in amounts of around \$1250 to \$1500 for consulting fees. CW advised that he/she had talked with [redacted] about the checks when he/she discovered them around 1990. However, he/she did not mention the checks to LUKENS when he spoke to [redacted] on 5/31/94. CW further stated that he/she believed the checks to LUKENS were drawn against an account held by CTI at FIFTH THIRD BANK.

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(telephonically)

Investigation on 5/31/94 at Falls Church, Virginia File # 46A-WF-179870, SUB UUby SA [redacted] Date dictated 6/3/94

46A-WF-179870, SUB UU

Continuation of FD-302 of COOPERATING WITNESS, On 5/31/94, Page 2

During the 5/31/94 conversation, CW and [ ] briefly discussed an audit of CTI conducted by the U.S. DEPARTMENT OF EDUCATION (DOE) during August, 1990. To deceive the DOE reviewers, CTI personnel, at the direction of [ ] had attempted to create fictitious records to cover up misappropriations of financial aid funds by CTI. With regard to the alteration of records, [ ]

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[ ]  
[ ]  
[ ]

CW advised that [ ] mentioned having been in contact with [ ] apparently told [ ] that the statute of limitations was about to run out on the bribery case involving himself and LUKENS. [ ] also claimed that he had met LUKENS for the first time on [ ] boat. Additionally, [ ] told CW that he had gone to LUKENS' office in Washington, D.C., and that LUKENS had gotten him tickets to the White House.

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CW told [ ] that someone from the FBI had tried to contact him/her (CW), but that he/she did not call the FBI Agent back. [ ] requested that CW give him his/her home telephone number. [ ] told CW that he would be back in touch with him/her.

46A-WF-179870, SUB UU  
CWS/cws

On 6/2/94, [redacted] furnished the following  
information to SA [redacted]

Cooperating Witness (CW) advised that he/she had  
recontacted [redacted] by telephone at about 2:00 p.m. on  
6/1/94. [redacted] had called CW earlier in the day. The  
receptionist at CW's place of employment took a message from  
[redacted] told the receptionist to make sure CW  
called him back as soon as possible.

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When CW returned [redacted] call, [redacted] told

[redacted]

[redacted]

C-9

FBI

## TRANSMIT VIA:

☒ Teletype  
☐ Facsimile  
☐ AIRTEL

## PRECEDENCE:

☐ Immediate  
☐ Priority  
☒ Routine

## CLASSIFICATION:

☐ TOP SECRET  
☐ SECRET  
☐ CONFIDENTIAL  
☐ UNCLAS E F T O  
☒ UNCLAS

Date 8/30/94

FM FBI WMFO (46A-WF-179870 SUB UU) (P)

TO DIRECTOR FBI/ROUTINE/

FBI CINCINNATI/ROUTINE/

BT

UNCLAS

CITE: //3920//

PASS: ATTN: SSA [REDACTED] PUBLIC CORRUPTION UNIT

SUBJECT: BIG BOUNCE; MAJOR CASE #55; OO:WMFO

b6  
b7C

RE 8/26/94 TELCALLS BETWEEN SA [REDACTED]

CINCINNATI DIVISION, DAYTON RA, AND SSA [REDACTED] WMFO,

AND TELCALLS ON 8/26/94, 8/27/94, AND 8/29/94 BETWEEN SA

[REDACTED] CINCINNATI DIVISION, MIDDLETOWN RA, AND

[REDACTED], WMFO.

FOR INFORMATION OF CINCINNATI AND FBIHQ; AT APPROXIMATELY  
4:00 ON 8/26/94, WMFO WAS CONTACTED BY A COOPERATIVE WITNESS  
(CW) ON THE ABOVE CAPTIONED MATTER. CW ADVISED THAT HE/SHE

46A-WF-179870 Sub UU-170  
78 78Approved: ASD/673 Original filename: 1ES002W.242Time Received: \_\_\_\_\_ Telprep filename: 1ES00250.242MRI/JULIAN DATE: 12 1243 ISN: 003FOX DATE & TIME OF ACCEPTANCE: 8/30/94 SLM 8:11

^PAGE 2 WMFO (46A-WF-179870 SUB UU) UNCLAS

HAD BEEN TELEPHONICALLY CONTACTED BY SUBJECT [REDACTED]

[REDACTED]  
[REDACTED] ADVISED CW

THAT HE HAD BEEN IN CONTACT WITH ANOTHER WITNESS IN THE CASE,  
AND INDICATED TO CW THAT HE WANTED TO DISCUSS THE GRAND JURY  
INVESTIGATION. CW AGREED TO WEAR A BODY RECORDER TO INTERCEPT  
AND RECORD THE CONVERSATION WITH [REDACTED]

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b7D

THROUGH THE ABOVE-REFERENCED TELCALLS, AGENTS IN THE  
DAYTON AND MIDDLETOWN RESIDENT AGENCIES WERE MOBILIZED, MET  
WITH THE CW, PROVIDED TECHNICAL SERVICES WITH THE MONITORING  
AND RECORDING EQUIPMENT, AND SURVEILLED THE MEETING. THE  
MEETING WAS SUCCESSFULLY CONDUCTED, AND WMFO WILL REVIEW THE  
TAPE RECORDING AND ANALYZE THE RESULTS. THE CINCINNATI  
DIVISION DID A TREMENDOUS JOB, AND WMFO SINCERELY APPRECIATES  
THE EFFORTS OF THE CINCINNATI AGENTS WHO WORKED LATE INTO THE  
NIGHT ON 8/26/94 UNTIL THE CONCLUSION OF THE MEETING BETWEEN  
THE CW AND [REDACTED]

BT



C-9

U.S. Department of Justice



Federal Bureau of Investigation

In Reply, Please Refer to  
File No. 46A-WF-179870

550 Main Street, Room 9023  
Cincinnati, Ohio 45202  
August 29, 1994

Honorable Edmund A. Sargus, Jr.  
United States Attorney  
Columbus, Ohio

Attention: [redacted]  
Assistant U.S. Attorney

Re: BIG BOUNCE;  
MAJOR CASE #55;  
OO:WMFO

Dear Mr. Sargus:

The purpose of this letter is to confirm a conversation on August 26, 1994 between Assistant United States Attorney (AUSA) [redacted] of your Cincinnati office and Special Agent (SA) [redacted] of our Middletown Resident Agency.

During the early evening of August 26, 1994, AUSA [redacted] was informed that a cooperating witness (CW) of our Washington Metropolitan Field Office (WMFO), was telephonically contacted by [redacted] a subject in the captioned investigation. The CW had been contacted earlier by [redacted] who requested a [redacted]. The CW immediately advised SA [redacted] of WMFO of [redacted] request. SA [redacted] discussed the above facts with [redacted] Chief of Staff / Special AUSA House Bank Task Force, Washington, DC., who finding no problem with entrapment authorized the Bureau to conduct non-telephonic consensual monitoring of this meeting. [redacted] requested the Bureau's Cincinnati Division cover the meeting and conduct the non-telephonic consensual monitoring.

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- 1 - Addressee  
① - WMFO (46A-WF-179870 SUB UU)  
3 - CI

(1 - 66F-3779) (CONSENSUAL MONITORING - NON TELEPHONE)  
UCFN ☐ Pos ☐ Neg ☒ AX  
GENERAL INDICES:  
☐ Automated Search  
☐ Pos ☐ Neg AX: ☐ Pos ☐ Neg

46A-WF-179870, SUB UU  
SEARCHED ☒ INDEXED ☒  
SERIALIZED ☒ FILED ☒  
SEP 02 1994  
-171  
[redacted]  
[signature]

46A-WF-179870

AUSA [ ] was given prior knowledge of the measures to be taken by the Bureau with the approval of [ ] Chief of Staff / Special AUSA House Bank Task Force in Washington.

Thank you for your attention to this matter.

Sincerely,

THEODORE JACKSON  
Special Agent in Charge

b6  
b7C

By:

[ ]  
Supervisory Senior  
Resident Agent

SEARCHED ..... INDEX  
SERIALIZED ..... FILE

SEP 02 '1

## Memorandum



To : ADICADIC, WMFO [REDACTED] (P) Date 9/16/94

From : SA SA [REDACTED] (C-9)

Subject : [REDACTED]

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b7D

Dates of Contact 6/3/94		
File #s on which contacted (Use Titles if File #s not available) 46A-WF-179870, SUB UU		
Purpose and results of contact		
<input type="checkbox"/> NEGATIVE <input checked="" type="checkbox"/> POSITIVE (See attached insert) <input type="checkbox"/> STATISTIC		
Description of Statistical Accomplishment	Title of Case	File No.
Information herein obtained confidentially; informant's name is not to be disclosed in a report or otherwise unless it has been definitely decided that this person is to be a witness in a trial or hearing.		
PERSONAL DATA		
46A-WF-179870 UU [REDACTED] 172		

1 - [REDACTED]  
 1 - ① 46A-WF-179870, SUB UU  
 1 -

Init. CWS/cws  
 (2) - WMFO

\*\*\*see reverse side for statistics\*\*\*

46A-WF-179870, SUB UU  
CWS/cws

On 6/3/94, [REDACTED] furnished the following  
information to SA [REDACTED]

Cooperating Witness (CW) advised that [REDACTED]

[REDACTED]  
on 6/2/94. Included in the documents sent to CW by [REDACTED]

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# Memorandum

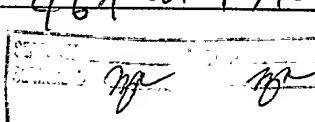


To : ADIC WMFO (P)

Date 9/16/94

From : SA [REDACTED] (C-9)

**Subject:**

<b>Dates of Contact</b>		
6/6/94		b6
<b>File #s on which contacted (Use Titles if File #s not available)</b>		b7C
46A-WF-179870, SUB UU		b7D
<b>Purpose and results of contact</b>		
<input type="checkbox"/> NEGATIVE <input checked="" type="checkbox"/> POSITIVE (See attached FD-302) <input type="checkbox"/> STATISTIC		
<b>Description of Statistical Accomplishment</b>	<b>Title of Case</b>	<b>File No.</b>
3-WMFO (1- (1- (1-46A-WF-179870 Sub UU)		
Information herein obtained confidentially; informant's name is not to be disclosed in a report or otherwise unless it has been decided definitely that this person is to be a witness in a trial or hearing.		
<b>PERSONAL DATA</b>		
		

kah,  
(2)

**STATISTICAL ACCOMPLISHMENTS**  
**Criminal Informant/Cooperative Witness (CI/**

1. Number of Subjects Arrested:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
2. Number of Subjects/Victims Identified and/or Located:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
3. Number of Investigative Matters Initiated:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
4. Number of Disseminations Based Upon CI/CW Information:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
5. Number of Violent Acts Prevented: \_\_\_\_\_
6. Number of Times CI/CW Information Used in Title III Affidavits:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
7. Number of Times CI/CW Information Used in Search Warrant Affidavits:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
8. Number of Times CI/CW Information Used in Obtaining Complaint/Information/Indictment:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
9. Merchandise Recovered (Value):
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
10. Asset/Property Seized (Value at Time of Seizure):
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
11. Monetary Value of Asset/Property Actually Forfeited to Government: \$ \_\_\_\_\_
12. Number of Convictions Obtained as a Result of Information Furnished by CI/CW or as a Result of other Significant Operational Assistance Furnished:
  - a. FBI 1 \_\_\_\_\_
  - b. Other Federal Agencies 1 \_\_\_\_\_
  - c. State and Local Agencies 1 \_\_\_\_\_
13. Number of Times Undercover Agent or Other Law Enforcement Officer Introduced into an Investigative Matter by CI/CW:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
14. Drugs Recovered (Wholesale Value):
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_
15. Number of Consensually Monitored Conversations CI/CW participated in:
  - a. FBI \_\_\_\_\_
  - b. Other Federal Agencies \_\_\_\_\_
  - c. State and Local Agencies \_\_\_\_\_

- 1 -

## FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/16/94

[redacted] was telephonically contacted at his place of employment. The Cooperating Witness (CW) provided the following information:

CW advised that [redacted]

[redacted]

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CW briefly discussed the affidavit signed by [redacted]. He/she stated that [redacted] affidavit was written by [redacted] and his attorney, [redacted] PROVIDENT BANK where [redacted] signed the document and had his signature notarized. CW advised that [redacted] was paid money to sign the affidavit.

[redacted] to the PROVIDENT BANK where [redacted] signed his affidavit and had his signature notarized.

[redacted] stated that some of the information contained in [redacted] affidavit was not true. [redacted]

[redacted]

[redacted]

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Investigation on 6/6/94 at Falls Church, Virginia File # 46A-WF-179870 Sub UU

by SA [redacted] :kah Date dictated 6/13/94

46A-WF-179870 Sub UU

Continuation of FD-302 of COOPERATING WITNESS, On 6/6/94, Page 2

[Redacted]

[Redacted]

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CW informed that [Redacted] apparently met [Redacted] through U.S. Congressman DONALD "BUZ" LUKENS.

CW was asked about some computer records concerning CTI's checking accounts. He/she explained that check numbers that had "no stub" beside them were usually checks that WHITESELL would pull out of the CTI checkbook for his use. CW described WHITESELL's purposes for the payments by the "no stub" checks as generally being for "no good." CW was not sure whether [Redacted] used some of the "no stub" checks.

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CW stated that he/she thought he/she had saved some records from his/her employment at CTI and given them to his/her attorney, [Redacted]. CW believed the records include CTI checks and computer disks from the 1990 time period. CW admitted that he/she might not have provided the records to [Redacted]. CW stated that, if [Redacted] did not have the records, they were probably destroyed in a fire [Redacted].

[Redacted]  
to the FEDERAL BUREAU OF INVESTIGATION (FBI) via facsimile on June 6, 1994.



FEDERAL BUREAU OF INVESTIGATION  
FOIPA  
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

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Page 450 ~ Duplicate  
Page 451 ~ Duplicate